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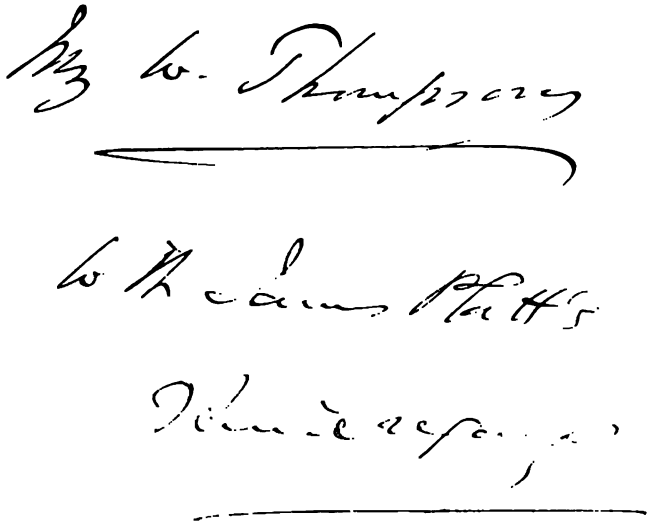

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BUSINESS, MONEY,

AND

ECONOMY.

HAVE FAITH IN THE LAWS OF GOD

In Permanent Photography. *By Brown, Barnes & Bell.*

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MY.

PLATT'S ESSAYS.

VOL. I.

BUSINESS—MONEY—ECONOMY.

BY

JAMES PLATT,

AUTHOR OF "LIFE," "MORALITY," AND "PROGRESS."

"If I might give a short hint to an impartial writer, it would be to tell him his fate. If he resolves to venture upon the dangerous precipice of telling unbiassed truth, let him proclaim war with mankind—neither to give nor take quarter. If he tells the crimes of great men, they fall upon him with the iron hands of the law; if he tells them of virtue, when they have any, then the mob attacks him with slander: but, if he regards truth, let him expect martyrdom on both sides, and then he may go on fearless."—DE FOE.

Second Thousand.

LONDON:

SIMPKIN, MARSHALL, AND CO.,

4, STATIONERS' HALL COURT, E.C.

1883.

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HB 34
P55
v.1

LONDON:
W. J. JOHNSON, PRINTER,
121, FLEET STREET.

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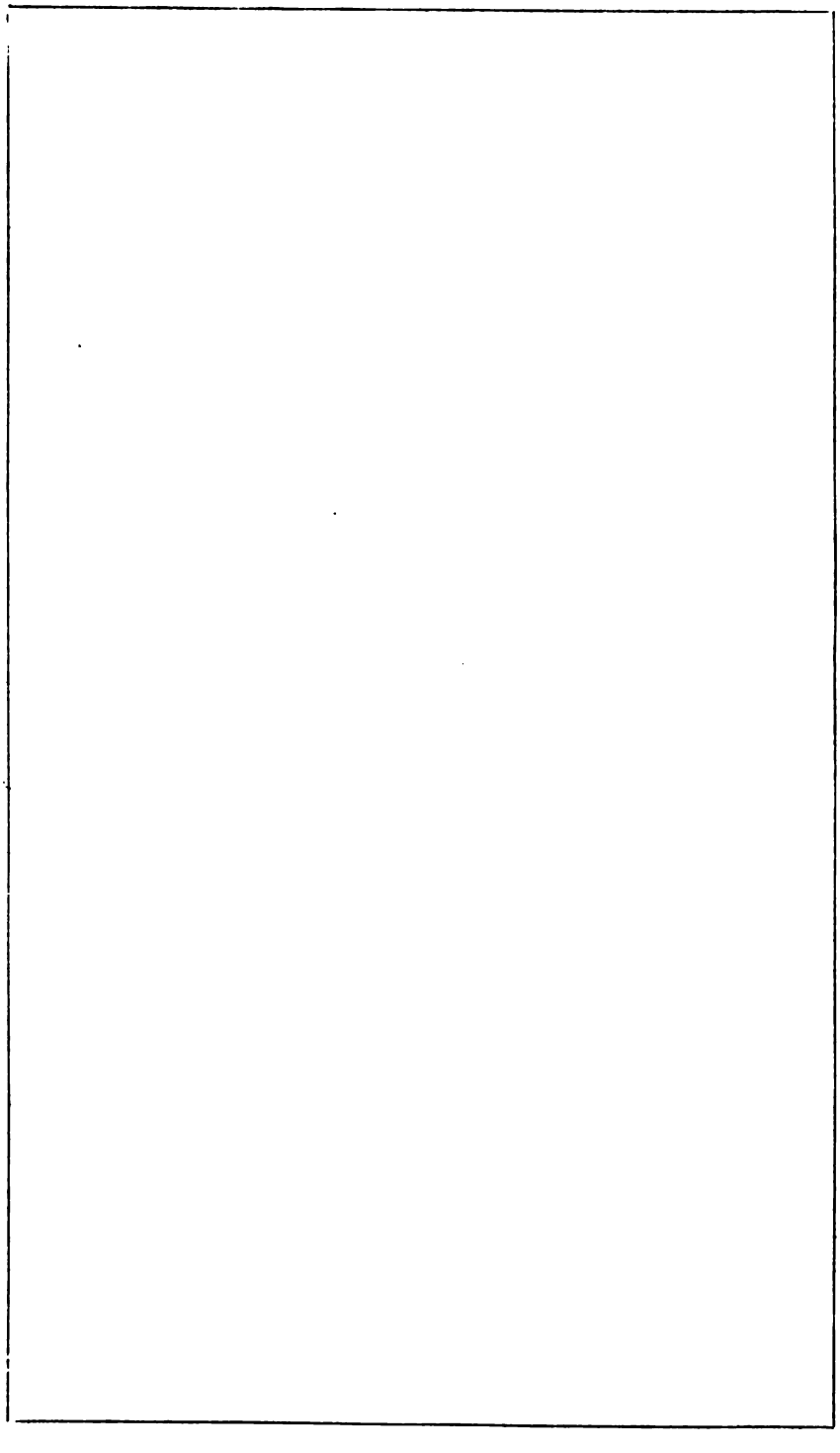


INTRODUCTION.

"Our remedies oft in ourselves do lie,
Which we ascribe to heaven: the fated sky
Gives us free scope; only, doth backward pull
Our slow designs, when we ourselves are dull."

SHAKSPERE.

I HAVE re-arranged, revised, and added to my six essays, making one volume of "Business," "Money," and "Economy," and another of "Life," "Morality," and "Progress." My object is to make men think more of "life" as it is; to study "living"—how to live; what to do with life; but, above all, to alter the prevailing tone that life has to be undergone as a kind of penance. There are a few who think it tolerable; a few in easy circumstances may think it comfortable; but few thoroughly enjoy it, or regard it as a great blessing; and I doubt if there be any who heartily return thanks to the Giver of all life for having bestowed it upon them.

How is it that men do not enjoy more this world? There must be a cause. The principal reason is, that men are not trained to lead a successful life, are not started on their journey with the conviction that if all men cannot succeed, few, if any, need fail if they know their business thoroughly, and work indefatigably and thriftily at it. Men are not taught in such a manner that their intelligence perceives that "honesty" is the only policy, and that, unless "morality" be the guiding spirit and the controlling power of their actions, they may attain success, but it will be of uncertain tenure, and bring remorse instead of happiness. "Money," its object and value, should be taught at school; the wise and thrifty spirit of God's government of the universe be clearly indicated, and the misery and waste in human affairs whenever mankind acts upon expediency instead of adhering strictly to principle. It should be carefully explained to all why individuals and nations have advanced from barbarism to civilization; the value of capital, of the middle class; by what means the individual or the nation has obtained a supremacy, and how the same is to be retained.

The people are not happy—fail instead of succeeding—because they lack what Goethe asked for in his last words, "More light." Never, perhaps, at any period was it more necessary that men should be taught how to make the best of their talents—how to use them to the best advantage; how to avoid alike the "misuse" or abuse of them. To succeed in life now, you must be no dreamer, but understand what you have to do, and do it thoroughly. Study the age you live in, but more especially the people upon whose support your success in life depends; ascertain their needs, and skilfully adapt yourself to supply them. Be supported because you do things well, better than others; so that you keep your own self-respect and gain the respect of your patrons. To benefit the masses, we must put before them an "object in life;" they must be made to understand that it is possible for them, one and all, to progress, to get on in the world, if they once have a fixed resolve to advance mentally, morally, and socially. By teacher, pastor, and lecturer, it must be proved to them what can be done by persistent industry and thoughtful thrift. They must be taught to think. But the first thing is to make them "see"—to "love the light," and resolve to have it. All classes need a clearer vision, a sight that can peer through the darkness that envelops them, to be free of prejudices. I would have men so trained that sinecures, pensions, feudal privileges, bankrupts, criminals, drunkards, wasted lives of all kinds, would gradually die away, because of man's own disgust of, and contempt for, such weak specimens of human nature.

Utopian? No; once men see the necessity for a science of "human action," and that it is their duty "to discover the principles which govern the character and the destiny of nations" (Buckle). The evidence of statistics has altered our conception of human conduct. There is a startling regularity every year in the marriages and murders; the proportion between male and female births; in the number of persons in a given state of society who will commit suicide; aye, even in the number of letters that will be posted without any direction. These reliable "facts" prove "general laws;" who shall commit the act will depend upon special circumstances. If it were taught at school that every act is subject to "law," and that health or disease, happiness or misery, virtue or vice, success or failure, depends upon our obedience to, or deviation from, Nature's laws, life would be a very different thing to what it is.

The "art of living," or "Life, and what to do with it," is one of those questions that must receive more attention than has hitherto been given to it. How to make men happier and better, how to start every one upon the journey of life, resolved to climb up—let it be

ever so little—the ladder of progress, is a problem which must be solved. The working class get more money, are better fed, housed, and clothed, and work fewer hours, than their forefathers; a great many save money: how shall we increase this class of thoughtful, thrifty men? Are those men doing good to the people who tell them, like Professor F. W. Newman, that "the ownership of land is a monstrous despotism;" or the Rev. S. Headlam, that "private property in land is the monopoly by a few of an element essential to human existence; that it had its origin, to a large extent, in force, or fraud, or economic ignorance; and its continuance is a national wrong, and a danger to the stability of the community;" or Mr. George, that "the great masses of the people throughout the world are becoming more and more conscious of the 'cruel wrongs' under which they suffer; that they are awakening more and more to the great truth that the Creator made all men equal, and that they were entitled to demand equal rights"? All such men argue upon a false premise. Men were not made equal by the Creator. "Inequality" is the law, and by it alone can development take place. Let any Act of Parliament divide the wealth of the kingdom to-morrow, and in a few years the degrees would be as great as at present exist. There will always be the thoughtful and the thoughtless, the industrious and the indolent, the thrifty and the thriftless; no Act of Parliament can alter human nature. If men reasoned more, they would shun those advisers who set the employed against the employers, who make men discontented and unsettled; they retard the progress of the masses, they strengthen the hand of despotism by inciting to lawlessness, they pander to the weaknesses of human nature under the name of Freedom. I take up quite the opposite ground. It is useless to go into the question of how the aristocracy became the owners of the land; they have had it for centuries; and a very large number of the middle and working classes are also owners of land. Even if it could be proved that "every owner of land" had no right thereto, that the land should belong to the nation, I would still maintain that it is wiser to accept things as they are, rather than that the people should be benefited by a system of confiscation, which would undermine the sacredness of property, and give the desire for the acquisition of other possessions without that labour and thrift, by which means alone the "honest man" desires to possess them.

Properly trained for the work of life, setting forth with a belief in "opportunity," and a resolve to march upwards, is it possible for men to rise, socially, mentally, and morally? I reply, "Yes." There are causes for every success, every failure; and mankind would soon recognize this truth if they put aside "circumstance," and being determined to discover where the men that fail are at fault, they would soon

find a remedy to stop its recurrence. Granted that in a country like Great Britain there must always be some who, for some reason or another, are unable to keep their place with the rest, or that the bread-winner may be struck down by illness or accident, or the labour is put aside or superseded, by his skill at which he had lived; yet, if investigated, we should find that these causes may affect one out of the hundred, but do not alter the laws that regulate the success or failure of the whole. Born among the lower class, one of the working class, I know their sufferings, and what poverty is, also why that poverty exists, and maintain that there is no impassable abyss to keep the lower and the middle class apart, if the one be resolved to ascend into the other. To progress, men must be "thrifty," must be able to practise "self-denial." You do not make a "thriftless, drunken man" thrifty or sober by increasing his wages; on the contrary, you too often thereby only increase his tendency to idleness and indulgence. Let wages increase by all means, but only as a natural effect following the cause of the worker's determination to "deserve them." I should like to see the masses have more to spend, but this must be after they have resolved to "earn more." Men must understand that, to get more, they must produce more; and the only way to get on is to spend a part of what they earn, and save the rest; making the country richer by their thrift, benefiting their fellows by increasing the fund that gives employment to labour, steadily advancing themselves to a higher stage of well-being, and diffusing prosperity all around them. Contrast "life" as it would be, if each one produced all he could, and "saved something," with "life" as it is, with so many that produce nothing, so many who consume all they produce, and so many who, from drink, cease to be able to produce, and whose drunken habits madden them to commit crime, and for whom society is put to the expense of magistrates, policemen, the prisons, and the workhouses. Such men are useless to themselves, and a heavy burden and cost to all around them. The "majority" in numbers have great power in the present day; the working man has the power to reform our institutions, and take a leading part in the government of the nation; if wise, the "minority" will try and teach him to "reform himself." I believe he can, and that he will; but he must not be flattered or misled, but must be made to understand that "his future is in his own hands," and that it depends upon himself to make it or to mar it.

A brief sketch of my own career will not be out of place, as coming from one who has advocated what can be done by every man in this world by steady, persistent application and thrift. My father was a Spitalfields weaver, my mother a silk-winder. My father being skilful,

became a manufacturer, but he lacked steady application, and was satisfied with the support of a few houses. They were very poor when I was young, and instead of going to day-school, my time was occupied in turning the handle of the loom my mother used to wind the silk at. My education was obtained at "evening" and "Sunday" schools, until Mr. Wilson offered to take me in his warehouse, if my father would have me taught so as to be equal to the duties. This secured for me one year at a boarding-school. Mr. Wilson having died, and his partner, Mr. Bull, having refused to take me without a premium, which my father could not pay, I began the work of life in 1844, at 109, St. Martin's Lane, aged thirteen. At that time shops were opened at seven, and we juniors had to get up and sweep out the shop, rub down the counters, and clean windows before breakfast; the shop was not closed until eight or nine; then we had to take out parcels. Very little prospect for "self-improvement;" but "where there's a will there's a way," and the little spare time at my disposal was spent at literary institutions. People talk of work hurting one: from 1844 to 1852, my father kept a public-house at Hoxton, and after my week's work I had to walk home, put on an apron, and serve behind the bar till midnight, and on Sundays till 9 P.M., when I had to walk back to St. Martin's Lane. All my life it has been work, incessant work; and work is to me the greatest pleasure in life. From thirteen till twenty-seven, every night was devoted to classes or lectures at institutes; I began at the Western Institute, in Leicester Square, and belonged, at different times, to the St. James's, in Cork Street, the Westminster, the Marylebone, the Whittington, and the Birkbeck.

At fourteen, my employer called me into the counting-house, and told me that my salary, at ten pounds per year, would be paid from the end of the first year, instead of the third year; and, better still, he paid me the month's salary. It was the happiest moment of my life; I can remember still how proud it made me when telling my father the next day. From this time I kept myself, except when out of situation at sixteen. I had left hastily, and it was three months before I got another; making me remember my mother's remarks when I went home, "My boy, never throw away dirty water until you get clean."

At my next situation we were paid badly. No employé ever worked harder, yet when I asked for an advance of salary, it was refused, and the highest salary I ever had was "thirty pounds per year." But, as a proof of what can be done, my savings amounted to thirty pounds. With this, and a small sum of borrowed money, for the use of which I gave my father one-fourth of the profits for ten years, I commenced business, December, 1850, when only nineteen years of age. What

an act of madness it seems to me now! Young and inexperienced, the first year's trade was, naturally, very small—the result, a heavy loss. I remember still how the "balance-sheet staggered me;" ruin seemed inevitable; and I walked about for hours before settling down with a stern resolve to alter things. For the next ten years body and soul were devoted to progress in business. With the utmost thrift, for eight years I allowed myself "thirty pounds a-year," taking my fifty shillings per month, as if receiving that salary as an assistant; and for the first few years after marriage I lived at the business premises, and allowed myself one hundred pounds per annum. As a natural consequence, the effect clearly traceable to its cause—industry, concentration of purpose, and thrift,—the business regularly and steadily progressed; every year showed an increase. Success had been achieved, without any exceptional advantage whatever as regards capital, talent, skill, or address. By Nature's wise arrangements, a step or two up the ladder had been climbed, solely by steady plodding and hard thrift, when every sovereign saved was essential to keep me solvent. Only "those that wear the boot know where it pinches," and the hard, up-hill fight to meet one's payments regularly for years can only be understood by those who have passed through the ordeal. I was sustained, however, by a firm belief that the man who really means to pay twenty shillings in the pound can always do so; that belief over thirty years' experience has strengthened; also the belief that "opportunities in life" come to all, and that those who get on are those who have utilized and economized their time and money, so as to be ready for, and equal to, the chances of "pushing forward" when they offer themselves.

In the woollen trade the custom was to give three months' credit, and date on, give concessions in price, and then to give 2½ per cent. discount when the account was paid, and to pay great deference to the "credit customer." The "ready money" buyer got neither discount nor concession, and was treated with indifference. In 1862, I resolved to try and remedy this unjust system, and gave "5 per cent. discount for cash." It was a great success, and proved, what I had been ridiculed for asserting, that a "cash trade" could be done if a proper equivalent was offered; and "discount to cash buyers" is now generally recognized to be just, and is freely given.

But the trade did not forgive me, and in 1865 a combination was formed, and offers made to a well-known manufacturer, whose goods had never been successfully copied, to take all he made, if he refused to serve me, unless I charged the prices dictated by them, which, of course, I refused to do. The manufacturer, after much pressure had been put upon him, decided to take this most unwise step. But it being

evident that if allowed to do so with impunity with one manufacturer, I should be subject to this tyranny by others, one after the other, I resolved at all costs to crush the movement in its birth; selected a manufacturer, put the matter fully before him, told him the risk he ran of losing other accounts, and, fortunately, told him my financial position, that he might be able to judge of the capability of bearing my part of the burthen. This foresight saved me; accounts were closed, and anonymous letters sent, telling the manufacturer that as I was selling his goods in large quantities at a loss, he had better be careful. For three years bunches of "Platt's Tweeds" were given away all over the trade; they were advertised thoroughly by circulars and the press, and sold at cost or a loss;—the hardest three years' labour, physically, mentally, and financially, I ever had. It doubled the trade, but left me poorer by five thousand pounds.

It was "my opportunity," and I grasped it, and so used it as to give the house a name I might have striven for years to attain. The trade, very stupidly, did not see what their "persecution" was doing for me, and therefore unwittingly helped to push me on, as persecution always does, by getting another manufacturer to write me as follows:—

"MANCHESTER,
"*January 28th*, 1868.

"GENTLEMEN,—We have had so many complaints from several of our London customers about our doing business with you, which we find is seriously influencing their transactions with us, to our loss and prejudice, that we are reluctantly compelled to decline any further orders from you, and therefore beg to return the one just to hand.—We are," &c., &c.

I asked them to inform me the reason assigned by their customers why they should decline my orders, or, if it was a question of quantity or payment, to take the same quantities as their other customers, and to pay on delivery. Reply:—

"MANCHESTER,
"*January 30th*, 1868.

"GENTLEMEN,—It is not a question of payment; everything has been perfectly satisfactory in that respect; we never had a doubt about it. It is simply a question whether we must incur the displeasure, and probably lose the business, of very old large customers, to continue yours; and we are not prepared to make the sacrifice.—Yours truly," &c., &c.

It seemed to me that there was no other course but to get the names and prosecute those merchants who, to injure me, were putting this unfair pressure upon manufacturers. Reply:—

"MANCHESTER,
"*February 5th*, 1868.

"GENTLEMEN,—We are sorry we cannot meet your wishes by mentioning names.—Yours truly," &c., &c.

I published the correspondence; the Press took notice of it; and this act of persecution did me a great deal of good. In 1870 I had to undergo the same ordeal; but, wiser in their generation, these parties committed nothing to paper, and I had to get a manufacturer to make for me a similar class of goods. In 1877, a manufacturer wrote us: "As we have ascertained that you are underselling us in articles of our own manufacture, we are compelled to increase our prices as follows" (quoting the *highest* retail prices); thereby withdrawing from us the concessions made to wholesale dealers that buy to sell again. The underselling was giving "5 per cent. discount" to cash buyers, as a just equivalent for the three months and 2½ per cent. discount given to his credit customers by this manufacturer. "Time," however, is on the side of "right" and "progress," and in 1882 this firm gave 5 per cent. for cash; so I called and asked to be put on the same footing as our competitors. A reply was promised by post; not getting it in a fortnight, called again; reason assigned for delay, "not been able to see other manufacturers who had, in 1877, agreed with them to charge us the higher prices." We are now charged the same prices as other wholesale houses; but you will perceive what narrow views still prevail, and that my experience justifies my asserting that trade is not so free as it seems to be; on the contrary, we find the spirit of "protection" in every trade and vocation, and men want "free trade" only in every other business than their own. I have always asserted that, with the "liberal credit" given to traders, the fact of not being able to meet one's bills when due, implies incompetency or insolvency, and have told men they must not rely on extraneous help, but only on their own efforts. Once in my life the liabilities on our pay-day seemed beyond my power, unless I asked some manufacturers to draw bills, to whom I had always paid cash. I wrote to a gentleman, asking for a loan for a few months, and told him the reason; he declined; and I have thanked him ever since, for the result proved that my principles were right. Extra effort was made; the accounts were all paid, as usual; the help was not wanted; and in a moment of weakness I had nearly sacrificed the principles of my life.

The above has been written to save others from a similar weakness. Have faith in the laws of God. If you do your part, use your brain in "looking forward," you will, if equal to the position you occupy, buy well, and not too largely; this is essential to success, as by so doing you will always be able to pay to "the day," and pay your way. Such, at least, has been my experience, and must be my apology to those of my readers who, mayhap, having been unfortunate, may think I have seemed too positive in asserting that

"failure and success" are not the result of accident or fate, but every man has, more or less, great latent powers within him, and that it rests with himself to use his energies in developing the same, or to allow them, by his want of effort, to lie there undiscovered and unused, or, still worse, to misuse or abuse the powers, physically, mentally, and morally, that his Creator has so liberally bestowed upon him. Briefly, a man is like a mine: each one contains stores of hidden wealth, but it requires sustained, systematic exertion to get at them. Cease, therefore, deluding yourselves by saying it is not within you, but ascribe the failure to its true cause—viz., because you have lacked the intelligence and industry to discover and secure it. The best gift of parents to their children, teachers to their pupils, pastors to the young of their flocks, is to inculcate self-denial, self-government, the magic power of patience; to distrust themselves, but to have no fear of the future, but an implicit faith in results according to their deserts—a faith in honour, in principle, in the cause and effect theory for the government of the world; that constitutes the fruitful loveliness of a true religious faith, and which alone can insure that enthusiasm for the accomplishment of human perfection, or demonstrate how high mankind can attain.

Be prudent in your ventures, as although to fail in a small thing does not always indicate that you will fail in a larger one, still you cannot expect the world to take the failure in the smaller as an earnest of your success in the greater. Be thrifty from conviction, from principle, from the desire to be independent of help from others; be economical and methodical with your time; think of the present, utilize it; it is the best basis for your success in the future. To live in the past, or be dreaming of what the future is to do for you, is to waste the present. Believe with me, there is no such word as "finality;" or, if there be, it is hidden in the shadows where human perfections and dreams of the philosopher lurk in hopes of a brighter day. And when, at the end of our journey of life, after climbing the steep hill of progress, and straining with great difficulty to approach the summit, we pay the debt of humanity and join the majority, we shall feel that whatever advance we have made has been worth the making, as we are leaving the work to our successors to continue with a clearer vision, and more fixity of purpose. But the higher we ascend the more we shall perceive remains to be done, the more human happiness to be accomplished, the more human progress to be attained. Do not be deterred by those who will say, I ask for the "impossible," but strive to do all that is possible; do not be discouraged by difficulty, but do your duty—work and wait hopefully. Remember, in the depth of winter, beneath all the

frost and rime, the mighty work of germination progresses. Everywhere, noiselessly, invisibly, Nature's mysterious forces are active, weaving their wondrous tissues, getting ready for the spring-time that is sure to come, alike to Mother Earth and to her wearying, longing sons. Have faith, do your part, and leave the rest to God. It is so sad a sight, so many sacrificing their lives because, through their impatience, their want of earnestness, their want of trust, we find that when the bright season is too long delayed, instead of joy at its coming, from too many a despairing heart the cry bursts forth, "Too late! too late!" It is false; it is never too late, whilst life remains to us; we can do the best with what we have; and it is on this earnest desire to do our duty, and make the best use of our talents, that all happiness and real progress depends. Man's destiny is "progressive civilization."

There can be no progress by people or nations without obedience to the law of healthy development of the best part of our nature; a steady, persistent struggle after "more light;" the earnest desire for "truth;" an invincible determination to leave the world better than we found it; an onward and upward progress achieved by a knowledge of the laws that cause success, and faithful observance thereof. The philosophy based upon "cause and effect" suits all ages, all climes; it satisfies and stimulates. The point which yesterday was invisible is its goal to-day, and will be its starting-point to-morrow. It is a creed that ever urges mankind on, which never rests, which has never attained its ideal, which is never perfect; as its aim is "progress," for ever and aye progressing. Its belief is, that there is nothing in human affairs that men deem impossible that may not come to pass; nothing that has been done by the *élite* of men but that all men might do; nothing that has once occurred that may not reproduce itself again. It has become essential for the further progress of mankind that they be taught to perceive the regular action of eternal principles, be trained to perceive that "all effects are due to causes." Let every individual work with an end in view, the resolve to acquire "property" by his own labour and thrift.

"To catch Dame Fortune's golden smile,
Assiduous wait upon her,
And gather gear by every wile
That's justified by honour;
Not for to hide it in a hedge
Or for a train attendant,
But for the glorious privilege
Of being independent."

BUSINESS.

"Blessed is the man that hath found work: he hath a life purpose."

CARLYLE.

BUSINESS is a wide term, comprehending nearly every avocation man is engaged in. A man's business is his occupation; commercially, it is applied to all men engaged in supplying the wants of their fellow-men—from the merchant prince, importing and exporting all products, to the costermonger. This book is not intended to supply any technical knowledge of any particular business—the object is rather to demonstrate the importance of certain qualities which constitute the "true business man," enabling him, if not to succeed, to avoid failure; and also pointing out the importance of doing business in a truthful, straightforward manner. These qualities well considered will give you ideas and principles—a kind of chart and compass for all business men to regulate the helm of their conduct by. These well understood, the *earnest* man in any trade will soon ascertain how to apply, alter, or modify his conduct as employer or employed. For instance, if you are impressed by the importance of "not *over*-buying," it will regulate your conduct and control your action when daily tempted to buy. "The instilling this principle" into your mind will do you more good than telling you to buy this or that class of goods of this or that maker. Books can only lay down theories of business; the art of applying the same to any business you must practically learn therein. The action needed in buying and selling in any and every trade will vary in the same locality, but the principles upon which the theory is based are universally applicable to all business men; and being essential in making the thorough man of business, it is surprising, in a commercial nation like ours, more attention has not been paid to the business part of education—the proper or improper action of commercial men affecting the interests and happiness of such a mass of human beings.

There is, perhaps, nothing more painful in business than the number of failures we become acquainted with, owing entirely to men starting with an imperfect knowledge of how to get or manage the business undertaken; for, as the stern, inexorable decree of nature seems to be, that we must eat or be eaten, so equally inflexible and unyielding are the laws of commerce; the one line of conduct as certainly insuring success as deviation therefrom, whether from wilfulness or ignorance, ends in failure; for, as sure as water finds its own level, any one who embarks in trade with insufficient knowledge or capital will lose his money and reputation.

To commercial men knowledge is power. The men who read and *reflect* must be better informed, and more fitted to climb upwards, as chances offer, than their competitors or fellow-workers who do not. Every book on trade or kindred subjects should be carefully read, more especially by youths when commencing their business life, and by all engaged in business before commencing business for themselves. "Political Economy," Freedley on "Business," "The Thorough Business Man," "Self-Help," "Thrift," works on Finance, &c., are all useful in implanting, confirming, or supporting rules of conduct that will prevent failure or be productive of success.

Do not for a moment imagine you will become a thorough man of business by reading books, or following any set plan of action laid down therein; all that study can do is to prove to you the importance of pursuing a certain policy, so that in practice, if you fail, or your business does not pay, when you have been expecting the reverse, a knowledge of the laws of trade will enable you to trace the failure to your own errors, and thereby enable you to remedy the same in future. For instance, when a balance-sheet is unsatisfactory, the usual plan is to try and raise prices, and thereby undermine the business; but the commercial student, analyzing every detail, will discover that had he obeyed the laws of prudence and kept less stock, or been less extravagant, his balance would have been satisfactory; so by closer attention, never buying a piece of goods unnecessarily, more careful management, reducing the expenses, or doing a larger trade at the same expense, profit will take the place of loss, whilst the trade connection is kept intact.

It is said that

> "A little learning is a dangerous thing;
> Drink deep, or taste not the Pierian spring."

It seems to me advisable we should pick up every crumb of knowledge that falls in our way. "Many mickles make a muckle." And when we consider the immense number of human beings who daily rise,

each one struggling to get on the ladder, to keep his position thereon, or to push himself higher up, even if he knocks his neighbour down, we must admit the necessity of the aid every little bit of knowledge gives. Works on business generally give the result of a journey, and mark the road by which the destination can be most safely reached, by those who have travelled thereon before, and know the sure roads, and also the paths that must be avoided. After reading every available book, and reflecting carefully upon my own experience, I am convinced that, although success and fortune may seem at times accidental, they are invariably due to industry, perseverance, wise forethought, and a prudent reserve against being led away by the temporary excitement of speculations which seem periodically to make sad havoc with the accumulations of equally industrious but less careful men. As a rule, the man who honestly and exactly describes the process by which the sound fortunes in any city are or have been made, would detail a story of thrift and prudence, good judgment and wise reserve; and also that the lasting fortunes are those that have been made in regular, straightforward businesses, by cautious investments, and not by hazardous speculations, or a system of sharp practice bordering on actual dishonesty. Study and observation will also convince you that all natural operations are based on a strict, although at times (but only to the ignorant observer) seemingly stern, justness. As we sow we shall reap. No matter what our business or profession—alike in commerce, literature, or politics—we attain to that position natural capacity, our own industry, and wise use of the talents entrusted to us entitle us to.

In commercial life men fight as for their lives, always in a state of ferment and fear. Some think universal education will make the struggle much keener. I do not see why it should. Some men do, and always will, advance beyond their fellows, in spite of education —often without it. We all know of successful men who cannot read or write, and of many unsuccessful ones who had great chances at starting, and were well educated, yet have signally failed. We err in thinking it is education that makes the man; and now, as heretofore, to those who take the right means, and by greater attention and industry keep in advance of their fellows in knowledge and power of adapting such knowledge, success is as certain as time and death.

It is essential, for a country like ours to maintain its commercial pre-eminence, that its system of production and distribution be based on a rigid adherence to the soundest economic laws; to secure this, special attention should be paid to the training and developing of the business character for commercial life; and there should be technical schools and colleges for teaching throughout every branch

of industry we are interested in. Too much importance cannot be attached to giving youths intended for commercial life a better preparation than they now get: the majority, when beginning their business career, know nothing of any practical value. It does not matter so much what is taught boys at school as how they are taught; the great point for a business life is to induce proper mental and bodily habits, so as to make both capable of bearing the wear and tear they will be subjected to; to develop in them the power of grasping facts easily and completely, in a methodical manner. The best and real teacher is the man who suggests and inspires his listeners with the desire to teach themselves. This is not done by our present system of education. We find, by experience, scarcely any so-called *educated* boy able to give change for a sovereign, or extend any simple line of a bill correctly; and, after many years' experience, I can state that, unless they have been performing the same kind of extension elsewhere, there is scarcely an entering clerk who understands eighths, sixteenths, or dozens. After giving many the key to these A B C extensions, and seeing them two or three times, we find them incapable of extending mentally $2\frac{3}{8}$ at 5s. 3d., or $2\frac{5}{16}$ at 4s. 9d.

Mental arithmetic, and not teaching arithmetic by rule, without any explanation of the rules, is what we need. The mass of figures and roundabout way of calculating simple things, that any boy of twelve properly trained could easily do mentally, is disgraceful to the age we live in. It is some time before you can get clerks to understand what an eighth or sixteenth is; and the difference between discount and interest is one of those problems many tradesmen go through their lives without understanding. Many will accept bills at two or three months, and lose $2\frac{1}{2}$ per cent. discount, who would close an account if charged 10 per cent. interest for renewal of a bill. And how few understand the money column, share list, &c., of the *Times!* What a different interest boys would take in school if the time were used in explaining and enabling them to comprehend and understand these matters! Instead of which, they are taught like parrots, can only do a thing by rule, without understanding the why or wherefore, and are crammed with facts or a mass of phrases and opinions of other people, when they should have been trained how to form opinions of their own. We put in too much, and, like a fire injudiciously heaped up, we smother the latent fire and heat, and stop the brain's healthy expansion and development. Mr. Mill, in his Autobiography, complains of logic being lamentably neglected at our schools. Nothing is more essential in training the mind to think properly—in fact, it is impossible to think correctly without

a knowledge of logic; and failing this, arises a mass of errors and misconceptions, an inability to get others to understand what you mean, or to comprehend the thoughts or writings of others. We want more *earnestness*, as well as higher views of business life; we want more concentration, so as to obtain greater accuracy. The daily errors and losses are very trying. The young should be taught to be *accurate*, then to be quick; to observe carefully, then comprehend rapidly and logically, and to express themselves clearly. "As to the difficulty," says Mill, "a pupil from whom nothing is ever demanded which he cannot do never does all he can; and the real standard of comparison should be, not what other people do, but what a man could and ought to do." The young should be taught the importance and value of courtesy of demeanour. How few can say "Thank you" properly! And if intended for commercial life, they should be specially trained to understand the art and practice of business, and qualified for being correctly taught by the course of events daily occurring. All hitherto has been left to that expensive teacher, *Experience*. It is time there was an alteration; besides, things would go on more pleasantly. Most of the daily errors in life arise more from defects of knowledge than from defects of goodness; although mankind, as a rule, attribute them to the latter failing rather than the former.

After the teacher has properly prepared mind and body for work, there is no better school for developing both than a house of business, the rules laid down herein as being essential to success being more or less the guiding principles of all houses of any magnitude. A great error is made in leading the young to imagine when they leave school their education is completed; in reality, it only then begins, school being simply for the great body of the people a preparing process supplying the merest rudiments of education.

What is required is a superior preparing process for enabling all to acquire the skill to earn their bread honestly, be good servants, then masters, and how to succeed in life, as their ultimate success will depend on how their early years are spent. Unfortunately, in the majority of cases, they are not taught how to teach themselves; their eyes are active, but the *brain* is not looking through, and they know not how to read the lessons of daily life; so the moving panorama and its busy units—each one so absorbed in his own affairs, the observing of which should be a source of great interest and pleasure, affording illimitable scope for observation and reflection—is a mass of confusion and a puzzle to them. Day by day there is a mass of information for the earnest youth to acquire—observing how men act and are acted upon, noticing the different modes of thought and

action, the great differences there are in mankind, and comparing the action of the successful with that of those who do not succeed; and not only noticing what is done, but trying at all times to know the why and wherefore.

Commerce is guided by laws as inflexible as those of health or gravitation, and the primary cause of failure in business may be traced as unerringly as the punishment that will surely follow the infringement of any other law of nature. Granted a natural aptitude, or not a dislike, to the business selected by the parents, the measure of success will depend on steady application, on first entering upon the duties of life, in mastering the details; as, after a while, when you have to perform duties allotted to you, the time for action has come, and the opportunities for observation are gone: you can induce this kind of conduct only by impressing on every youth entering life that "he must be the architect of his own fortune:" this is the best stimulant for him to apply to his vocation with energy and determination to succeed. As a rule, it does not matter much what a youth is put to, only allow no vacillation—first trying this thing, then another: the exceptional few who have shown any marked inclination for a particular business or mode of life should not be thwarted. What a man can do easiest naturally, and from liking, he is most likely to succeed at. But teach all that, in commerce, there is no royal road to the knowledge required, no prompting, coaching, or copying there; and impress on them that every man who fails has expected impossibilities, or gone the wrong way about obtaining what he desired.

The first thing to impress on the young is the importance of obeying others; when a thing has to be done, never allowing such an idea as its being impossible to enter their brain, but that all they have to consider is *how* what they have to do can *best be done*. It is astonishing how the mass of men find their *pons asinorum* in every little impediment. What we will to do can generally be done; to the earnest, determined man, to will is to do, the body being a valuable slave when the mind is an exacting master.

Success is generally an index of merit. Perhaps no better illustration of this adage could be found than Mr. B. Disraeli. When installed as Lord Rector of the University of Glasgow, November 19th, 1873, he is reported to have said: "He who would succeed in life, and obtain that position to which his character and capacity entitle him, has need of two kinds of knowledge—*self-knowledge*: this is not to be had from parents or our contemporaries; and so the hero of home, school, or college often disappoints expectations in after life, not from any deficiency in the qualities

which obtained him his early repute, but because he has been wanting in the capacity adapted to subsequent opportunities." Tutors, Jesuits in former times, ministers of State, generals, founders of large commercial businesses, generally possess the power more or less; but a just perception of character is a rare gift, and it is best and inevitable, in the pursuit of self-knowledge, that we should depend on self-communion; unquestionably, when there is a strong predisposition, it will assert itself in spite of all obstacles, but even here only after an initiation of many errors and much self-deception. The youthful mind is very susceptible, and apt to transfer to itself the qualities it admires in others, whether poetical, oratorical, military, political, or commercial. In some instances the predisposition may be true, but it is in the nature of things that the instances must be rare; in ninety-nine cases out of a hundred the feeling is not idiosyncratic, but mimetic, and a quick sensibility has been mistaken for creative power. Then comes disappointment, and the weak spirit sinks into despondency, and passes through life a phantom, to be remembered as an old man only by the golden promise of his deceptive youth. But a man of sense will accept these consequences, however apparently mortifying, with courage and candour; he will dive into his own intelligence, he will analyze the circumstances of his failure, he will discriminate how much was occasioned by indigenous deficiencies, and how much may be attributed to external and fortuitous circumstances; and in this severe introspection he may obtain that self-knowledge he requires; his failures may be the foundation of his ultimate success, and in this moral and intellectual struggle he may discover the true range of his powers, and the right bent of his character and capacity. So much for self-knowledge. Having this, do you possess that other kind of knowledge? Do you comprehend the spirit of the age in which your faculties are to be exercised? "It is singular," says Mr. B. Disraeli, "that though there is no lack of those who will explain the past, and certainly no want of those who will predict the future, when the present is concerned—the present that we see and feel—our opinions about it are, in general, all bewildered and mistaken; and yet, without this acquaintance with the spirit of the age in which we live, whatever our culture and whatever our opportunities, it is probable that our lives may prove a blunder. The necessity of this knowledge pervades the whole business of life; at times it may not be right to follow it, but there can be no doubt that success in life depends a great deal on comprehending it."

What, then, is the spirit of the age in which we now live, commercially? It is one of "enlightened selfishness"—the power to

comprehend that your success depends upon your studying the interests of those who support you; getting the confidence of your patrons, and being resolved to keep it by deserving it. "'Tis not in mortals to command success; but we'll do more, Sempronius; we'll deserve it." Believe me, that if you deserve it, you will get it. "Labour and wait!" aye, patiently, until the time comes, when your brain detects the time for action. The smith stands idle till the iron whitens; then—he strikes. The competition is now so keen in every branch of production and distribution, that at no former epoch was the necessity so great in all trades of the employer thoroughly understanding the theory of business generally, and being master of the practical details of the one he is engaged in, of being able to take good broad, general views, able to understand the needs of the times, and adapt his system thereto; with judgment and tact, introducing, promptly and freely, any improvement or just concession that may be required. You must not only have the ability to supply your customers as favourably as any other, but let the world know it, and by your conduct impart the assurance to them that you are to be relied on. Value your reputation as a pearl beyond price; never misrepresent or deviate in price; treat all equitably and alike. To succeed, in these times, it is essential you should look at both sides of a question; there can be no safe or permanent bargaining without. The very first quality in all successful negotiators of any class, or all engaged in any kind of transaction, is a reputation for fairness and honesty —for perceiving the rights of the buyer, and giving the same full weight; add to this a due reputation for firmness and knowledge of your business, and, with industry and economy, a lasting success, impossible by mere chicanery or stratagem, is inevitable.

It is an age of fierce competition and it is only enduring, unshrinking labour which can advance a man to either influence, prosperity, or power—an age when you must not expect business to come after you, unless you comprehend the times and act in such a way that it is induced to do so—an age when you must not expect the shop to keep you, unless you do your duty and look after the shop—an age wherein nothing succeeds without labour. There are no gains without pains, and rightly so; but practice makes all things easy, and attention and time, with earnestness, will make us proficient or perfect in all things. Remember, "to bear is to conquer our fate;" he who never despairs seldom completely fails. "Faint heart never won fair lady."

Success in life has been compared to a beautiful woman, whom it is only the earnest, sincere wooer has a chance of winning. You

must, in many cases, compel her kindness; dally with her, be hesitating and uncertain, she will certainly jilt you. Thackeray says, pithily, "You must tread on other people's toes, or they will tread on yours." So it is in life; you must push your way assiduously and strenuously, or others will push you aside. Still, spite of all difficulties, it is one of the glories of our day and country that a man may, by taking proper means, and in good time, make his way in life before he is half a century old, and so may have a chance of enjoying his own sucess.

Smiles' "Self-Help," and every man's experience in any trade or profession, prove how common an occurrence it is for men to raise themselves from a humble to a high and respectable position, and simply by natural ability, industry, and honourable conduct, raise themselves to first-class positions in society.

The man who would advance in this world must not trust to others. Ask any one who has succeeded, yet had to ask for help of any friend in his direst need, frankly stating his position and difficulties; yet, although the so-called friend was perhaps only asked by the hitherto self-reliant man because, directly and indirectly, he had suggested his willingness to help "when he thought it was not needed," in 999 cases out of 1,000 (and the greater the necessity for the helping hand) he would be sure to refuse. So do not delude yourself with the idea that in case of need your friend will help you; *rely on yourself*, know your own strength and resources, be above wanting help; and you will find, as with success, so with favours and help, when men think you are above wanting assistance, and the world sees all others helping you, they will do the same.

> "Applause waits on success;
> The fickle multitude, like the light straw that floats along the stream,
> Glides with the current still, and follows fortune."

Men will push you along if you seem to be going along, but, if you falter on the road, they either hesitate or help to push you down; so never ask for help until every possible or impossible chance has been tried and considered. If you are poor, keep the knowledge to yourself, but never flinch or quail before your liabilities. Know your position, and face it in a manly way, always being apprehensive of danger, yet resolved to conquer it. Know yourself, alike your strength and weakness, and all you are capable of doing, *do*. The parable of the Talents applies to us all. The time will come when we must render an account of our stewardship, and in proportion to what has been given will the result from each be expected.

I can honestly affirm, from experience, that no difficulty, however great, but will yield to steady perseverance, industry, and patience.

It is a grand thing to work, to live our lives energetically, thoroughly; to do our daily work so as to feel repaid with the inward satisfaction, we have done well. Every worker has the chance of feeling that most healthy, most wholesome pride, the knowledge that for his day's wages he has given a good day's work, that the receiver of the hire has kept to the implied contract as strictly as he who pays. An honest man will feel that it is as wrong to steal from an employer any portion of his proper quantity of work, as to steal his money. By all means, require a fair day's wage for a fair day's work, but be careful and scrupulously honest in the work you give for the wage. You do not give an employer an equivalent for his money by yielding up "so many hours" per day, but in the quantity of work that you do for him. Be men, thorough in what you do. At play, every nerve is strained, every energy alive and eager; at work, listless and careless. If men would but work as they play, they would find play in work. To be happy, is to be full of business; the secret of happiness is, never to suffer your energies to stagnate. Be in earnest. "Whatsoever you have to do, do with all thy might and strength."

"Let us, then, be up and doing,
With a heart for any fate;
Still achieving, still pursuing,
Learn to labour and to wait."

It is a pity so few of our leading men have the wisdom and courage to tell the industrious classes "the evil is in themselves, and can only be cured by their consenting to help themselves." They may gain increased wages, but the same are useless, nay, an evil, without provident habits; the first step is to be thrifty, and to *save*. It is useless being discontented with the position we occupy: the desire to improve our condition is one thing, being discontented at the position we occupy is another. The rational policy is to observe and understand the world as it is, have faith, persevere, and lose no opportunity of qualifying and preparing oneself for that "tide in the affairs of men which, taken at the flood, leads on to fortune."

That such a chance, more or less important, happens to every man is my firm belief, having watched for years the two classes of men—those who succeed, and those who fail. The latter are always trusting to chance, but never qualifying themselves for it; they are always ready to lay the blame of their follies on anything or anybody but themselves, and they are men who always, the first difficulty that presents itself, tell you it is impossible to do what has to be done. The others, from the beginning, are ever improving themselves; they mean to get on, and prepare themselves for opportunities they have implicit faith in believing will come to them; they take it for granted

a thing has to be done, and only think how best to do it. Nothing daunts these men; difficulties that overwhelm the one seem only to develop and strengthen the other; the one fails in life for want of, as the other succeeds by steady, indomitable perseverance and quick perceptions; their brains being trained and exercised to looking through their eyes, their senses are all well employed, and active, useful agents; and they are always ready to make the best use of the chances that offer.

This may seem very hard to those who do not get on, but facts are stubborn things, and the general experience of life must confirm the views enunciated. If many fail, there are many others who, with very little experience, nothing but stern will and determination, industry and prudence, succeed. It is poverty and dire need, like the bairns Erskine felt tugging at his elbow, that ever restlessly and irresistibly urge them on; it is a hard, continuous fight from first to last, but, after the battle is won, there is great pleasure in looking back. So I say to the young and earnest, "Go thou and do likewise."

"In the world's broad field of battle,
In the bivouac of life,
Be not like dumb, driven cattle!
Be a hero in the strife!
Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Footprints on the sands of time;
Footprints that perhaps another,
Sailing o'er life's solemn main,
A forlorn and shipwrecked brother,
Seeing, shall take heart again."

LONGFELLOW.

It is the duty of every man to repudiate the doctrine of the weak, the indolent, and the thoughtless, that puts all failure upon the Lord and to tell men plainly that if they do not succeed, it is because they are not equal to the requirements of the age they live in. It may be accepted as a truism, that there is always trade to be done; therefore, it is your duty as a tradesman to ascertain how it is being done, so as to bring yourself and what you have to offer before those whose support is essential to your success. By means of the press or circular, everybody and everything has a chance; and although there often seems a great waste of energy and money, the principle is sound; as by it, if you have a good thing, or can do anything better than your competitors, you can submit your qualifications to the world, and by the law of the "survival of the fittest" you may rest content to be

judged. Our teachers, if possessed of the true genius how to develop the latent powers of the people, will teach the doctrine of "opportunity," and get them ready for it; our rulers giving freedom to exercise the power within, and tempting forward, by leaving every place open to all; striving also for free trade with all the world, without a check or hindrance, without a toll or custom-house. "Let us invite every nation, every race, every skin,—white man, black man, red man, yellow man. Let us offer hospitality, a fair field, and equal laws to all. The land is wide enough, the soil has food enough for all. Let us educate every soul" (EMERSON). Aye, educate every soul, but not in the theories and systems of the past, that imprison their brains as in an iron framework,—which makes the journey of life so painful to them; but give them deliverance from ancient creeds and traditions, cease to invite the free spirit into its own thraldom, and train their minds to see the world as it is. Teach men the latest views of the best thinkers as to what is known of the world and its government; with a knowledge of the Creator's laws that must make them truly religious, and a belief that will be strengthened by the discoveries of science—past, present, and prospective.

Let the elevation of your mind be the principal end of all your studies, which, if they do not in some measure effect, are of very little service to you. Remember there is only one best, and the approach to perfection is very gradual. The only plan is to labour on persistently, trying to improve on what you have done before. Let your motto be "Excelsior;" the ascent may be toilsome, but must be progressive; and do not be disheartened if at times some deficient link in the chain, almost imperceptible till the end, baulks hopes apparently based on the firmest principles. Such things happen to those whose judgments are deemed oracular. Wise men and successful men are those who, like Peter the Great with his overthrow at Narva, let their failures be the steps to their final success. Be industrious: rely on Nature's physician, as Galen calls employment.

Act always so as to earn the character of belonging to the body of indefatigable, persevering men, that are ready to sacrifice everything to duty, with faith in God's laws, that will enable you to wait patiently for what must come,—believing in all things—omnipotence and justice are synonymous. We want to recognize this spirit in men's daily actions, their conduct regulated by the prevailing principle of right for the sake of right. Let our teachers and preachers tell men plainly and distinctly that no amount of believing will do them any good so long as their lives give the lie to their belief. Of those who may say such topics have nothing

to do with business, I should like to know how the character of business men can be improved or formed better than by teaching them to respect what is godlike in them, and to aspire to that which is godlike out of them. Unfortunately, people do not like being disturbed: what they like is a rake with not over many prongs in it, to smooth them over a little bit at the top and keep them tidy and decent-like. They cannot bear a plough that goes right straight down and turns them inside out. It is the same with our teachers: they take you so far on the road and no farther, many prohibiting you from looking beyond, except in the orthodox manner. The best teacher is he who teaches you to do without him, takes you a certain distance and leaves you, having put the means of going farther into your own hands, if you wish to use them. Men should think more; so many remain children all their lives, more or less the slaves of prejudice. Knowledge alone can sweep away the cobwebs and mists that envelop our brains; but remember, *reading* is not knowledge. Solomon says, "Get knowledge, but above all get understanding." Food is useless unless digested; and you must think over and understand what you read for it to be of any service to you. Utilize others' ideas, not by slavishly following them, but altering their experience to suit your own particular need: be consistent, not bigotedly adhering to an opinion because you have expressed it, but advancing with increased knowledge and clearer light, ever searching after and following truth, and not allowing the greed of avarice to enslave you: ever desirous and anxious to qualify yourself for a higher position, yet never forgetting that the man with a contented mind is richer than any millionaire.

> "What is wealth to him that still wants it and never enjoys it?"
>
> HORACE.

> "Extol not riches, then, the toil of fools,
> The wise man's cumbrance, if not snare, more apt
> To slacken virtue, and abate her edge,
> Than prompt to do her aught may merit praise."
>
> MILTON.

In Oliver Goldsmith's "Traveller" it is said that

> "Where wealth and freedom reign, contentment fails,
> And honour sinks where commerce long prevails."

This view is very generally accepted, and it is to check the belief that to be an honest trader and succeed in life is impossible, that my books have been written. I have unbounded faith in the "improvability" of human nature, and believe that if the right means were adopted at

the proper time, as the brain is developing, much of the crime and social misery which surround us might be prevented; and I have no hesitation in asserting that the immense numbers of failures yearly in the United Kingdom are due mainly to ignorance by the mass of the people of the laws of commerce and finance, aided by a code of laws to relieve bankrupts of their liabilities that are a disgrace to any honourable people or nation. Being thoroughly cognizant of the difficulties in the way of success, no one is more ready to sympathize with and relieve the honest bankrupt, but I maintain that the law ought to regard all debt as a *sacred trust*, and before releasing the debtor should compel him to explain why, having had 20s. entrusted to him, he has only 10s. or less to pay for it. I would abolish the Bankruptcy Laws altogether, and save the expense of useless courts, officials, accountants, and lawyers. People would then be more careful whom they trusted; the honest trader would, by stopping "as soon as he was in difficulties," get relief from his creditors; the dishonest would be prevented from again cheating the public till he had satisfied existing demands; whilst in every case where it could be proved goods had been obtained fraudulently, the debtor should be liable to criminal prosecution like any other thief.

Another serious evil is over-trading, converting business into speculative gambling. It may be difficult to determine a trader's criminality, especially as regards trading beyond his capital, as between the penniless schemer, who obtains the use of capital by false pretences, and the upright trader, who never contracts greater liabilities than his estate will liquidate, there lie all gradations. By insensible steps we advance from one extreme to the other: to get more credit than would be given were the real state of their affairs known, is the aim, and the most venial transgressors cannot be wholly absolved from the criminality which so clearly attaches to the rest. Speaking broadly, the tendency is for every trader to hypothecate the capital of other traders as well as his own; and when A has borrowed on the strength of B's credit, B on the strength of C's, and C on the strength of A's; when throughout the trading world each has made engagements which he can meet only by direct or indirect aid; when everybody is wanting help from some one else to save him from falling,—a crash is certain. The punishment of a general unconscientiousness may be postponed, but it is sure to come eventually.

Why is it that the morals of trade are so bad? Why, in this civilized state of ours, is there so much that betrays the cunning selfishness of the savage? Why, after the careful inculcations of

rectitude during education, comes there in after life all this knavery? It results from the "indiscriminate respect paid to wealth." People like to be somebody, to make a name, a position—and to accumulate wealth is the surest and easiest way of fulfilling this ambition. Even he who disapproves this feeling finds himself not able to treat virtue in threadbare apparel with a cordiality as great as that which he would show to the same virtue endowed with prosperity. Scarcely a man is to be found who would not behave with more civility to a knave in broadcloth than to a knave in fustian; and so long as imposing worthlessness gets these visible marks of respect, it will naturally flourish, as, with the great majority of men, the visible expression of social opinion is by far the most efficient of incentives and restraints. Men would rather do something morally wrong than deviate from custom. And why? Because society generally resents the one more than the other. Only those who have departed from the beaten track of conventionalism know what a powerful curb to men is the open disapproval of their fellows; and how, conversely, the outward applause of their fellows is a stimulus surpassing all others in intensity! Something, however, needs to be done now in the way of protest against adoration of mere success, lest the prevalent applause of mere success, together with the commercial vices which it stimulates, should be increased rather than diminished. Society can only be made better by a sterner criticism of the means through which success has been achieved, and by according honour only to the higher and less selfish modes of activity.

Another reason of the low morale of trade, or, in fact, of all ways to obtain a living, is "ignorance of the work," thereby causing losses by error of judgment, an incapacity to manage, a want of method. From want of "business habits," many industrious, well-intentioned men fail. They are industrious, but without method. They are anxious to do trade, but neglect their books; thrifty in their private habits, but they fail to see the waste by deterioration in value, and loss of interest in keeping too much stock, and in not collecting their book debts regularly. How few study "buying"! Yet to obtain the best value that is to be had, is most important, essential to success, as if you fail to get good value, how can you give it? It was from pondering over the many "wrecked" lives that had come under my notice, and from a desire to save many good men from failure, that in 1873 I circulated, gratuitously, nearly 30,000 copies of my Essay on "Business." In all my books the intention has been to prove that "honesty is the only policy," that lying and cheating of any and every kind indicates weakness of character and capacity; giving evidence of that "low cunning which Nature—kind, indulgent parent—gave to

supply the place of wisdom to the knave." My object is to make men think more about their daily work, to raise their self-respect by ennobling their vocation, to stimulate a desire for a more honourable and truthful commercial life; and if in my books the language seems too plain in some parts, the excuse must be my desire to tell business men something in such a way as will shake them out of their apathy and indifference, and make them ponder over my conclusion that "their characters are, to a great extent, in their own hand—that they make or mar themselves by what they do or leave undone."

It is necessary, however, to remind the reader that all cannot be successful; the most painful failures—and they occur every year—are old-established large concerns, that have been built up by men of business, and have failed because their successors lack the proper business capacity. Many of such men are deserving of the greatest sympathy; and all successful men should remember the moral inculcated by Dryden in "Alexander's Feast," when Philip's warlike son, aloft in awful state, a godlike hero, sat on his imperial throne. Timotheus, the skilful musician, after praising the successful warrior, by fighting, as it were, all his battles o'er again, and so rousing his pride and self-esteem that he feels capable of defying heaven and earth, suddenly changes his hand, and tries a mournful muse soft pity to infuse. He sings of Darius great and good, by too severe a fate fallen from his high estate, and weltering in his blood; deserted at his utmost need by those his former bounty fed, on the bare earth exposed he lies, with not a friend to close his eyes. With downcast eyes the joyless victor sat, revolving in his altered soul the various turns of fate below.

I have that faith in the justness of all the Creator's arrangements, that I would undertake to show cause why every man succeeds or fails, and that if *all* cannot succeed in making a fortune, *every one* might pay twenty shillings in the £. My object in writing this book is to draw attention to the subject of business education, so that by proper training fewer would fail. Meanwhile the successful should remember the following lines of Burns:—

"They wha fa' in Fortune's strife
Their fate we shouldna censure;
For still the important end o' life
They equally may answer;
A man may hae an honest heart,
Tho' poortith hourly stare him,
A man may tak' a neebor's part,
Yet hae nae cash to spare him."

HEALTH.

"Better to hunt in fields for health unbought,
Than fee the doctor for a nauseous draught.
The wise for cure on exercise depend;
God never made His work for man to mend."

DRYDEN.

"Who is this natural beauty who advances with so much grace? The rose is on her cheeks, her breath is sweet as the morning dew, a joy tempered with modesty animates her countenance. It is Health, the daughter of Exercise and Temperance."—*Hindu.*

HEALTH is essential to our enjoyment of life. Who that has been ill can question that health is the one thing needful above all others in this world? As most people have been more or less ill, we should expect, therefore, that all people would avoid everything which might take away from them the blessing of health, and would never neglect anything which would preserve it to them. It is not so; disease, and its causes or remedies, is perhaps less understood than any other subject in which mankind has so great an interest; and daily facts tell a mournful tale of lives wasted by ignorance and carelessness, of life thrown away, or, if it be not lost, the foundations have been undermined, breaches made in the walls, and decay has been allowed to creep into the chambers of "this breathing-house not made with hands," by neglect of its needs, long before it falls to the earth altogether.

The master of the "house of life" is the brain, the head and centre of the nervous system; and by that system every movement of every organ of the body is directed and controlled. The mainspring of man is the brain. Like the mainspring of the machine that tells the hour, this organ regulates the movements of every wheel and pulley of his frame. But, having far higher functions to control than the machine of man's invention, the brain's rule does not stop here. The brain is not only the mainspring of time, but the mainspring of temperature also; for, in addition to its chromal force, it has thermal power—the power to heat and cool. You may find this daily exemplified in your own person, every passion and every emotion of the mind being attended by some thermal change.

"The brain, moreover, to a great extent,
Can mend the wheels themselves when broke or bent,
Whether, observe, the local flames begin
From outward sources or disease within." DR. DICKSON.

The regularity of recurrence of all vital phenomena, whether morbid or sane, being a law of the living economy, Dr. Dickson (the author of "The Fallacies of the Faculty," in my opinion one of the greatest benefactors the world has produced, as by his efforts blood-letting and purging were abolished, and stimulants and tonics substituted) has no difficulty in showing, by facts patent to everybody, that this is the law of paroxysm and remission in all complaints. Like other laws, it is, of course, subject to the interference of disturbing causes; and these causes here are twofold. Whatever *alleviates* the instability of brain, on which paroxysms and recurrences of every kind depend, will interfere with the regularity of recurrence, to the benefit of the patient. Whatever, on the contrary, *aggravates* that cerebral instability will do the reverse. While easterly winds, for example, atmospheric humidity, bad news, bleeding and other exhausting medical treatment, very generally render the paroxysms of every disease not only more frequent, but more rebellious; westerly breezes, a dry atmosphere, good news, bark (quinine), steel, and the judicious use (not the abuse) of stimulants, tend as generally to the advantage of the patient, by rendering the paroxysms less frequent and more feeble, or by stopping them altogether. Whatever debilitates and exhausts the brain fosters a wrong habit; whatever strengthens and supports the brain helps the patient to shake it off.

"*Principiis obsta*—on the outset act,
And crush disease at once by skill and tact;
Crush it, ere from neglect the frequent fit
Becomes a habit difficult to hit.
However fierce the storm, expect a calm;
Now is the time for the preventive balm!
Whether, as in the ague's simpler form,
Remission lasts a day between the storm,
Or gives ten minutes' respite to the frame,
The principle of cure remains the same.
What is that principle? As in the ague,
To stop recurrence of the fits that plague.
Strengthen the head, and leave the parts alone;
You know the means to give the mainspring tone,
Relying on the lull, however brief,
Push bark and steel to permanent relief;
And failing these—for both may disagree—
Change to whatever else makes Fever flee.
If the remission, treating thus, endure
For an indefinite period,—that is Cure!" DR. DICKSON.

The ague was the only complaint in which the profession endeavoured with bark or iron to prolong or cure these "intermissions, more or less perfect in their kind," which Dr. Dickson was the first to point out as common to the whole catalogue of human suffering. The profession being ignorant of the universality of this law of periodic remission and return, instead of hailing the repeatedly recurrent immunity from suffering as a godsend, and, by remedies preventive of the paroxysms, taking advantage of it to stop all renewal of the disease, the medical people to a man stood stock-still, and looked on with the complacency of infants during these intermissions, and simply regarded them as of value in the details of practice. But with every recurrence of the fever fit, their activity recommenced, and one and all at once proceeded to bleed and bleed, leech and leech, purge and purge, repeating and re-repeating this practice with every fresh fit! And when, in spite of all this, and more than this, the patient got daily worse and worse, they blistered and mercurialized their victim either till he died outright, or till his life was at the lowest ebb—to conquer what they believed to be a return of "inflammation," "pressure," or "congestion." That Dr. Dickson is entitled to the merit of discovering this great law of disease there can be no doubt, if, as he states in "Fallacies of the Faculty," published by him in 1865, that so far from knowing this law of intermission and remission, "in all our text-books up to this (1865), so far from being recognized as a *law* of all diseases, periodic intermission and return are declared to be *exceptions* to the whole history of diseases!" We are told, fever, small-pox, measles, &c., &c., will run their course, do what we will. "Believe it not; on the outset act, and crush disease by skill and tact." There are very few forms of general disorders which may not be shortened by good medical treatment.

The evils of our day are "Specialists,"—one for this part, another for that—people who reduce physic to a mere system of local tinkering. On October 1st, 1880, Dr. George Johnson, F.R.S., in his address at King's College Hospital, said to the students: "One piece of advice I am anxious to impress upon you, which is this—whatever line of practice you may hereafter—whether by natural taste, by inherited opportunities, or by other favouring circumstances—be led to adopt, whether you become consulting physicians, or surgeons, or general practitioners, or whether you take up some such important special department as obstetrics, the care and treatment of the insane, or ophthalmic or aural surgery,—it would be an error and an evil for you too early to devote yourselves to the exclusive study and practice of any one department of medicine or surgery. The more general is your knowledge of disease and its treatment, the better qualified will

you be to undertake successfully any special department of practice. . . . . Some of the worst and least trustworthy practitioners, although perhaps largely patronized by an indiscriminating public, have been men with an undeserved reputation in some small speciality."

The *Times*, October 2nd, had a leading article upon this speech, and truly observed that, "nourished everywhere by the same food, vivified by the same blood, actuated by nerve-force developed in the same centres, subject to the same inherited and to the same external influences, the human organism is really one and indivisible, and any specialism which does not dip its root deeply into the general principles of medical and surgical knowledge will not only wither speedily, but will work nothing but harm and mischief during the brief period of its existence." The *Times*, in its leading article, then compliments Dr. Johnson for having grappled so boldly with the general question of Specialism, and gives him the credit of this "most original" view of the matter; but "the originator" of the idea was Dr. Dickson, who denounced the growing tendency to "specialism" in the "Fallacies of the Faculty," in 1865; see the following verses, pages 54 and 55 :—

"No longer looked on as a living whole—
A clock-like unity from crown to sole,
Whose every move the mainspring must control!—
The body now, like a dismembered thing,
Of ravenous birds becomes the toss and fling.
Owl, kite, and vulture, each with special mark,
Pounce on the spoil, and fatten in the dark.
One takes the 'Heart'—another tries the 'Lungs,'
O'er which they chatter in conflicting tongues.
A third, less dainty in his choice of meats,
The 'Stomach and its Difficulties' treats;
This with the 'Liver' manages to dine,
That banquets doubly from the 'Joint and Spine,'
Some with the 'Spleen' their hungry bellies fill,
Some feast on 'Kidney'—devilled if you will.
These take the 'Mucous Membrane'—those the Skin;
These with the 'Colon' their repast begin—
No part so loathsome, no disease so foul,
But has its furtive kite or peering owl,
Who, with the instinct of his carrion caste,
Sticks to the living quarry till the last.
But blackest, vilest, of the moral scum,
Is that false harpy with the speculum!
Out on the wretched quacks who would divorce
The body's fragments from the ruling force!
Out on all specialists! while such exist,
How can God's truth the public mind enlist?
Nay, how or where, till the great human hive
Themselves in natural science deeper dive,
Can any but these tinkering creatures thrive?" DR. DICKSON.

The above is very severe, too much so; but it must be remembered that Dr. Dickson was most basely treated by his own profession. Ridiculed, said not to be duly qualified; eminent physicians lecturing and writing books, and adopting his ideas as their own, yet refusing to meet Dr. Dickson in consultation,—one cannot be surprised if he was bitter in return. And ingratitude followed him to the end. His death was not noticed by the medical papers; and the *Times*, in its obituary for the year, omitted his name from the list of eminent physicians whose deaths they noticed. I wrote to the Editor, pointing out the omission, but no notice was taken; and my object in writing this is to bring before the public the name of a man humanity is under such great obligations to. The inference to be drawn from Dr. Dickson's views is, that a wise physician will remove the "cause" of a disease, and not merely remove the symptoms; that all disease is "weakness," and that by strengthening the patient we adopt the only sensible course of action; that, with all diseases, the object should be to prevent the paroxysms from regularly repeating themselves, stop a habit that will otherwise become so inveterate that the best remedial measures may fail to stop it; support the patient, and

"For cure rely on Life's repairing force."

The first time I went to Dr. Dickson, my health was very bad; told him I must leave for the north that evening. "You ought to be in bed; but if you *must* go, here is a prescription will carry you through;" and so it did, and kept me right for years, until after his death; other physicians told me it was too strong for me; and, believing them, it was discontinued; and I have been in the hands of A or B ever since. About two years ago, the physician I was then under being out of town, as an experiment, I went to three one morning. "Incipient gout," said No. 1; "Fortunately, not the least sign of gout," said No. 2; "No use paying me guineas; go to Switzerland for three months, and take the baths;" "Nerotic eczema," said No. 3. About a week after, a gentleman, who had suffered from something similar, sent me to No. 4; and as he promised to put me to rights in two or three months, I put myself under his care, and for nearly three months the disease was said to be assuming a new form; what was given me one week cured the symptoms, but brought out something else, till at last my general health being all right, the general physician said he was baffled, and he sent me to a skin "specialist," who, to his great credit, and to my surprise, said, "These are simply boils." He applied a plaister then and there, and cured me. But a relapse soon occurred, and, after two or three months more with a physician, he told me I must be prepared to suffer with nerotic eczema

the rest of my life—the disease was incurable. I applied to the secretary of a hospital I am a subscriber to, for the name of the best physician to treat my case; and the gentleman he sent me to began at once, like Dr. Dickson, with iron, and kept on for many weeks increasing the quantity: and by this treatment, in conjunction with the "vapour bath," invaluable for all skin diseases, I had a longer respite from an attack than for the last thirty years; but a relapse occurred, and as it was evident the cause had not been removed, I tried another physician, and succeeded at last in getting rid of that most irritating disease, "nerotic eczema."

About a year ago, one of my boys seeming unwell, Physician No. 1 said, "Highly nervous organization, brain overtaxed, been acted upon by the thunder; if he were my son, I should send him to sea for two or three years." I demurred to this. "Well, send him to the country for two or three years, and leave off schooling; even if he cannot write his name, it will be better for his future happiness that this be done." Physician No. 2 made a similar statement as to what was the matter; but when I told him what the other physician had advised, he replied, "*Too late;* the mischief is already done, so the remedy suggested will be useless." Physician No. 3 examined very carefully; and you may judge my delight and surprise when he said, "There is nothing the matter; the boy wants care. I shall give him no medicine, and he can go to school, gymnastics, bathe, ride, &c., as heretofore." I waited a little while, then took him to No. 4, who confirmed the opinion of No. 3. In the "Life of George Moore," it is stated that he was thrown off his horse; went to the most eminent physicians and surgeons. Some said the pains were neuralgic, others rheumatic; some recommended a six months' voyage; others strapped up his shoulders with plaisters. For two years this man suffered fearful agony. At length he went to Mr. Hutton, the bone-setter; he rubbed the shoulder with neatsfoot oil, took the arm in his hand, gave it two or three turns, and then gave it a tremendous twist round in the socket. The shoulder-joint *was got in*—it had been out *nearly two years!* What a satire upon the skill of our surgeons! Mr. Moore was reprimanded for going to a quack. "Quack or no quack," he replied, "he has cured me, and that is all I wanted." Mr. Moore had great difficulty to get this eminent man to take an extra five pounds over his five-pound fee. My experience confirms this; the best physicians are most indifferent about "fees;" and the above remarks are not made out of any disrespect to physicians; on the contrary, I have the greatest respect for them, and have always been treated very kindly by them. But I want people to believe in "cause and effect," and that to cure you, physicians must remove the cause of

your disease, and inform you how to avoid its recurrence. I want men to believe that their miseries are remediable, and that whilst there is life in us we should hope. Physicians are men; all men are fallible. It is unwise to be always changing your physician or doctor; but I have given my experience to justify the advice, that if you find yourself *no better* after two or three visits to a physician, no matter how eminent he may be, go to some one else, until you meet with one who does you good. For, in the words of Lord Bacon, "a wise physician doth not continue still the same medicine to a patient, but he will vary if the first medicine does not apparently succeed. For of those remedies that are good for the jaundice, stone, ague, &c., *that* will do good in one body which will *not* do good in another, *according to the correspondence the medicine hath to the individual body.*" Opium will send a person to sleep, or keep him awake; prussic acid will aggravate consumption in one case, and cure or ameliorate it in another. There are no "infallible remedies." The physician that has perception and experience will judge by the temperament and condition of his patient what is likely to suit him best; and, having found out what does suit the case, if an honest man, will give it in such a quantity and in increasing quantities, until he effects a cure. There is some particular part in all of us weaker than another; so, when we are below par, the weakness of the general system manifests itself in this particular part; but the system is not put up to its proper strength by any local treatment; it is by improving the general health that the local symptoms will vanish. Medicines should never be taken unless really needed. There is many a medicine an over-dose of which produces the very effects which it was intended to obviate. You must remember this, that the same power that will set a ship on the right course, improperly applied, will set it on the wrong. This is exactly the case with medicine; the same power that will cure a disease in one person may cause or aggravate it, according to circumstances, in another. The power of medicines being so great, you will see the necessity of having a "correct principle" to act upon when applying such remedies. The old saying of a "healthy mind in a healthy body," needs altering thus: "To make the mind healthy is the safest method of having a healthy body."

I became acquainted with Dr. Dickson through Mr. Charles Reade's "Hard Cash." The "Dr. Sampson" therein represents Dr. Dickson; and his views are forcibly illustrated by Mr. Reade, and justice is done to his genius as the originator of the new idea of strengthening instead of weakening a patient (see pages 33 to 40 and 469, 470). In "A Simpleton," by the same gifted author, we

have very plainly stated the evils of stays, tight-lacing, violet powder, &c. The book should be read by every girl and woman in the kingdom; and if Mr. Reade's advice be adopted (Dr. Staines not having been taken from life, as Dr. Dickson), so many "beautiful flowers" would not be withered, or children killed. Unfortunately, women, ruled by caprice and fashion, ruin their own health and that of the children they bear. No exercise can be better than lawn tennis, when ladies are suitably dressed; but, with their waists tied so tightly, it is as absurd as it is painful to see them attempting to perform the athletic movements of running and stretching out their arms which this game requires. Tight-lacing, boots that distort their feet and make exercise a torture, brain-heating chignons, bonnets which expose the forehead to the cold, and afford no shelter to the eyes, while the back of the head is stewed under its curtain of false hair, and the draggling train held in one hand and parasol in the other. Bad as stays, and chignons, and high boots, and paint, and low dresses are, the present system of having the clothes to fit so tight round the body and legs is worse. It is painful to see women walk along the streets; it must be almost impossible to walk upstairs; and the consequences to their health must be even more deplorable than the old system of heavy skirts, which acted as a drag upon their movements, weighing down their hips, and obstructing the natural motion of the legs. I appeal to women to show their good sense by thinking of their health before custom or fashion, and to revert at once to simplicity and *ease* in their dress. Health is the greatest blessing. No statuesque nobility of form, much less a pinched waist, a painted face, or distorted feet, can constitute a beautiful living human creature, who lacks the tokens of health,—clear eyes, clear skin, rich hair, good teeth, a cool soft hand, a breath like a bunch of cowslips, and a free and joyous carriage of the head and limbs. To speak plainly, the present system of boots and dresses with women is "suicidal;" they disturb the natural equilibrium, and lead to some ribs overlapping the others, piercing the liver, and displacing that organ below the ribs, the spleen in many cases much enlarged, in others atrophied. Women want more to do, physically and mentally. Give them an extended sphere of operation, with larger interests and nobler occupations, and their affections will become, not less strong and deep, but less sickly, less craving for demonstrative tendencies in return, less variable in their manifestations. Let women have sounder mental culture, and their emotions, so long exclusively fostered, will return to the calmness of health, and we shall hear no more of the intermittent feverish spirits, the causeless depressions, and all the long train of symptoms which belong to Protean-

formed hysteria, and open the way to madness on the one side and to sin on the other.

Health, how important it is! yet how few non-medical persons ever think of "disease," and how to avoid or cure it! Yet the subject is of vital importance to every one. The same men who discuss with becoming gravity the artificial inflections of a Greek or Latin verb, neglect to inform themselves of the natural laws that govern the motions of their own bodies! No wonder that the world should be so long kept in darkness on medicine, and its mode of action; no wonder that even educated persons should still know so little of the proper study of mankind—Man! Dr. Dickson says: "Every child of Adam comes into the world with some weak point, a PREDISPOSITION to disease of one locality or tissue of the frame rather than another." But many persons, from accidental causes, have also their weak points; of this kind are such parts of the body as, after having been externally injured, get so well that while you continue in health, you suffer no inconvenience; but as old age steals upon you, or when your general health gives way, you are reminded by certain feelings of weakness in the parts injured, of the accidents that have happened to you, and that to keep the affected parts in tolerable strength, you must not play tricks with your constitution. Individuals so situated can predict every change of weather; they are living barometers, and can tell you what kind of a day it shall be before they rise in the morning. They obtain their knowledge of this from the experience of their feelings in their old wounds and fractures. The atoms of repaired parts must always have a weaker attraction to each other than the atoms of the other part of the frame, and they must, therefore, in the very nature of things, be more liable to be influenced by external agency—by everything, in a word, that has the power to put matter in motion. Whatever, under ordinary circumstances, shall slightly shake or affect the whole body, must, under the same circumstances, be a subject of serious import to its weaker parts; and this argument also applies with equal force to the atoms of those parts of individual bodies which, by hereditary predisposition, manifest a similar weakness in the attractive power of their atoms to each other. As the child is but an extension of the living principle of the parents, its frame must naturally, to a certain degree, partake of the firmness and faults which characterized its progenitors, whether mental or corporeal, resembling them, not only in external features, but copying them even in their inward configuration. Such similitude we see extending to the minutest parts, whether such parts be fully developed, or defectively or even *superfluously* constructed.

We are all more or less the "sport of circumstances," but do not lose sight of this fact, that we may by care strengthen our weak parts, and thereby lessen the tendency to this or that disease. All diseases, if attacked at the commencement and in the right way, are curable. A person, for example, in whose family the heart or lungs is the weak point, by guarding himself against too rapid changes of temperature, and by care, may so control numerous exciting elements of disease, as to pass through life happy and comparatively healthy. Pulmonary consumption in the later stages—that is, where a very considerable portion of the lungs is destroyed—cannot possibly be cured; but even in this case the disease, by proper management, *may sometimes* be arrested. Let me explain my meaning to you by *similitudes;* for these, in the words of Fuller, are, after all, "the windows that give the *best light.*" You will doubtless have had a certain portion of a tooth slowly *consumed* by disease, which disease (tooth consumption?), by some change in your manner of living, or otherwise, has all of a sudden stopped, and the remaining sound portion of that identical tooth has continued to be useful to you for years! Such arrest of the consumption of a tooth, Dr. Dickson states, he has often obtained by quinine internally administered; and he says, that "with medicines of this class, and sometimes even without any medicine at all, the same thing may take place in the lungs; and I have known persons reach a good old age who had a portion of their lungs destroyed, but who, by proper medicine, and attention to the temperature of their chambers, preserved the sound parts from going into further decay; such persons, at greater or less intervals of time, may even be free from almost every symptom of consumption, and shall only commence to expectorate during some change of weather, when they have slight febrile attacks; but these will leave them again on the return of warm weather." Whatever debilitates the whole body will still further confirm the original weakly condition of any part thereof, and whatever strengthens the whole body will strengthen also the weakly condition of any part. Nature says, in fact, "You have a weakness; be careful, and the pain shall be lessened; if you be not careful, the pain will be aggravated." When young, I suffered terribly from toothache; the pain taught me care, and every May it was my habit to go to a dentist and have my teeth seen to, scaled, and put in order; so that at fifty my teeth are as sound and useful as ever. Keeping the mouth closed when leaving a warm room or the warehouse at night during autumn or winter, and well rubbing the hair about the mouth or throat, and especially the ears and behind the ears, and changing the boots directly you return home on damp or wet days, will prevent that first cause of so much mischief—"only a cold."

Health, how few realize the knowledge that it is under our own control! It is marvellous that we are and have been so careless of this priceless boon, and, spite of repeated warnings and sufferings, are as indifferent to "preventing" as we are careless to check and cure. This ignorance causes parents to inflict an irremediable evil upon their children. The brain is like the hand, and grows with using; use strengthens and increases the power of the brain, as well as muscle; therefore, with the young, physical education should be the first thing. Many men die young, before their time, because their precocity has been encouraged, to the detriment of their bodily health. We must remember that the body is developed before the mind. Our muscles, bones, and other organs have attained their full formation when we are twenty; the brain continues to grow a little up to the age of forty or beyond. The power of the mind will also depend much on the vigour of the body; and the one is often practically useless, although in a high state of perfection, if the other is neglected and weak. Dr. Elizabeth Blackwell wisely writes: "The guiding principle of healthy education is to follow the order of Nature, and place the strengthening of the physical powers not independently of, but in advance of, the mental powers. If the order is reversed, and the immature mind be allowed to tyrannize over the immature body, and disturb the proportion of Nature's work by withdrawing too much creative force to the mind, the true relations of mind and body can never be restored."

Most successful men have had good constitutions to start with, and to succeed in business now it is necessary our bodies, stomachs, lungs, throats, be healthy and sound; and parents cannot be too particular in giving every attention to improving, or taking proper precautions to prevent the decaying of, those most useful servants of mankind, good, incisive, and especially masticating teeth. Half the miseries and illnesses of human life may be traced primarily to want of good teeth, or the insane desire to swallow our food too rapidly—with young, anxious beginners especially—through begrudging the time necessary for performing the pleasurably natural operation of crushing and masticating the same, and preparing it for the digestive organs. Another serious mistake of young beginners, and many business men, is neglecting regular meals if extra busy, at a time when, if they knew more of their own constitutions, they would be more careful in obtaining the nourishment necessary to enable them to properly fulfil the extra labour. If we were taught when young what a wonderful yet complex structure the human body is, its laws would be better observed, and the general health of the kingdom be much improved. The last century has

taught us to have more respect for the matter without and within us. Let us, then, cultivate our bodies no less than our minds, never forgetting they are inseparable, and what profits the one must benefit the other. To do this we must live slower, and strive more earnestly than we have done lately for the *mens sana in corpore sano*.

Good health is best achieved by early rising, regularity in going to bed, living sparingly, getting all the fresh air that we can. Oxygen is the natural tonic and stimulant, alcohol the artificial and delusive —seemingly propping us up, but in reality sapping and undermining our capital of strength. We should, as thoroughly as we are able, be self-helpful and self-reliant, and be rewarded by getting and keeping that most precious boon—good health. In our days, if not of old, the race "is to the swift, and the battle to the strong;" but the battles of our day are waged more with the brain: as Lytton says in *Richelieu*, "The pen is now mightier than the sword."

"Beneath the rule of men entirely great,
The pen is mightier than the sword. Behold
The arch enchanter's wand!—itself a nothing!—
But taking sorcery from the master hand
To paralyze the Cæsars—and to strike
The loud earth breathless! Take away the sword,—
States can be served without it!"

To succeed, you must improve your brain-power; and nothing helps the brain more than a healthy body. The race of to-day is only to be won by those who will study to keep their bodies in such good condition that their minds are able and ready to sustain the high pressure on memory and mind our present fierce competition engenders. It is health rather than strength that is now wanted. Health is essentially the requirement of our time to enable us to succeed in life. As in all modern occupations—from the nursery to the school, from the school to the shop or world beyond—the brain and nerve strain goes on, continuous, augmenting, and intensifying; one must be able to endure long hours of work, spite of weary brain, jarring nerves, or jaded frame, and the antidote to this wear and tear can only be found in more physical action and out-door exercises than we at present possess. It is only greater attention to, and observance of, the laws of health which can produce that condition of body and that amount of vital capacity essential to enable a man successfully to pursue his calling, and to do that amount of work necessary for his success with the greatest amount of comfort to himself and usefulness to his fellow-men. Every one should be made to understand that by working either body or mind unduly, we thereby endanger the health of the other.

You cannot be too particular in striving for *health* rather than for strength, as the latter may be due to the training of the one system of the body, as the muscular, or one part of the body, as the limbs; but health is the uniform and regular performance of all the functions of the body, arising from the harmonious action of all its parts. The young do not look far enough into life to see the value of this distinction, or to appreciate it at its proper worth if seen; they fix their eyes longingly upon *strength*, upon strength *now*, and care not for the power to work long, to work well, to work successfully hereafter, which is health. Cultivate strength by all means, but let it be general, not partial strength, as the battle of life requires from combatants the whole man, and not a part; and the whole also in as good a condition as it can be brought into the conflict. By proper attention, a healthy, energetic, and vigorous frame may be had in conjunction with a powerful and vigorous intellect. Science and experience alike confirm the fact that the two are not only compatible, but that the one is in every way an aid to the other, as the intellect rarely attains, or, if it already possesses, can rarely, long retain, a prominent place when the bodily functions are impaired; and the body will be in its best and most worthy condition when its claims are shared by mental occupation—a healthy condition of the mind being best produced by sufficient employment of the body, and *vice versâ*.

Avoid the doctors, especially the old type, who delight in purging. Disease is *weakness*. What an absurdity it seems that for so long they weakened the weak, instead of strengthening! Nature, as a rule, will cure herself; but science can help and expedite her action. Dr. Dickson told me, "Every man has his febrifuge—the physician should find it out;" once you get hold of it, when you feel at a discount, take the tonic *at once;* Nature will soon raise you to par again; take your meals after proper intervals; avoid, as you would poison, eating or drinking between meals, and over-eating, which is as bad as over-drinking. Napoleon remarked, "More die from eating too much than from eating too little."

A fatal error of our teachers and parents is overworking the brain of the young, stimulating the mental cultivation of children by every suggestive expedient, and taking those hours for study that should be given to physical exercise and recreation. Giving children lessons to take home is another serious blunder. A child should forget school and its lessons when away from it, as a man should leave his shop and its cares behind him. The bow wants unbending at regular intervals; instead of which, the little people, up to bed-time, and often in the morning before going to school, are puzzling their brains over

lessons quite up to or beyond their comprehension; whereas the same should be explained to them before leaving by their teachers, and a short time be allowed the following morning for them to go over the same at school, before the lessons of the day begin. Our teachers, again, are too often disposed to make a boy, when they get one studiously disposed, into an exclusive bookworm, whom masters and ushers alike delight in holding up as an object of admiration and wonderment, and for whom every sensible man must feel commiseration, as he looks from the boy to the man, and from the school-room to the outer world, with its rude encounters and stern, prolonged struggle, and foresees how unfit such a frame and habits are for the task.

Mr. MacLaren, on physical education, says: "However weak the boy, gymnastic exercises under proper training must be beneficial; use gives facility of execution, and facility of execution causes frequency of practice, because we all like to do that which we can do well; and thus, eventually, being based on the organic law of development, the weaker parts may, by proper cultivation, be strengthened. Systematized exercises can modify the growth and distribute the resources of the body, so that each particular part shall have its legitimate share, and so increase the resources that each part of the growing frame shall have its wants supplied. During growth it is possible to add to proportion, consolidate and sustain every cell of every fibre or tissue as it is added to the frame; after growth this is not probable, but it is still possible, aye, still a certainty, to recover a valuable portion of the material well-being of every man, and add to that strength and vital stamina which will help him at all times, at all seasons, and under all trials. For this we need training schools and a system gradual, uniform, and progressive; a continual rise from the first exercise to the last, in which every exercise has its individual and special use—a system of exercise which will give elasticity to the limbs, strength to the muscles, mobility to the joints, and, above all, which will promote the expansion of those parts of the body, and stimulate to healthy activity those organs of the body, whose fair conformation, health, and strength double the value of every man's life."

We want in every parish a gymnasium and a gradual progressive system of physical exercises, so combined, arranged, and administered that it will naturally and uniformly call forth and cultivate the latent powers and capacities of the body, even as the mental faculties are developed and strengthened by culture and exercise. Until we get this, it is open to all, and I strongly advise the young to adopt my suggestion, to rise early in the morning, take a walk and bath before breakfast, and after business, before supper, to regularly and system-

atically exercise their limbs in walking, running, or leaping. There are parks and open spaces now within an easy distance of all our busy places, and when the weather is not favourable for out-door exercises, dumb-bells, &c., can be used in-doors. Get all the out-door exercise and air you possibly can, but you cannot be too particular in not standing about in the street at night, when leaving the hot shop, or jumping outside an omnibus after exercise; standing still when you get to the top of a hill, or, as many do, "unbuttoning," instead of "buttoning up their coats;" as the consequences, if the wind be in the north or east, must be serious to every one, and to the delicate or weak are often fatal, by suddenly stopping the action of the skin, and thereby throwing the perspiration upon the lungs.

After being in-doors all day long, you cannot be too particular in keeping your mouth shut for a short time after going into the air. Very few can stand with impunity talking or having their mouth open with the north or east wind in their face. It is a great mistake to imagine that by exposure men are either strengthened or rendered hardy; they must be strong and hardy before they are fit to be exposed—they must be seasoned first, and exposed afterwards. This thought has been engendered by seeing how hardy and apparently impervious to all weathers are those whose occupations keep them out-doors all day in all weathers; it is very different for the majority engaged in business, who are compelled from morning till night to breathe a close, vitiated atmosphere, arising from bad ventilation and often imperfect light; and, even with those whose occupations are out-doors, we forget how many succumb through not being strong enough to withstand the inclemencies of the weather, and it is only those who, by the law of natural selection, have conquered the elements can stand the wear and tear of such exposure. Mr. Spenser has exposed the same fallacious reasoning respecting greater longevity of married over single life. It is the strong only, those who have the best vitality, that should enter into the married state; the weak, by doing so, simply lessen their chance of life.

The importance of health in relation to business life cannot be over-estimated. In a paper read by Mr. W. R. Greg, February 12th, 1875, at the Royal Institution, on "Life at High Pressure," he says: "The salient characteristic of life in the latter portion of the nineteenth century is its speed, and it is worth considering, firstly, whether this rapid rate is a good, and, secondly, whether it is worth the price we pay for it. No doubt we 'do' more, but is 'doing' everything and 'being' nothing? Without some system of training, the physical consequences of this needless hurry will be very grave; the moral consequences are possibly graver still, though both sets of

effects are as yet only in their infancy, and will take a generation or two fully to develop. This insane rapidity and restlessness enfeebles and impairs the constitutions, which are transmitted thus damaged to our children, who add to and pass on the sad inheritance. Heart disease—too common already—may be expected to be more common still. Very few estimate adequately the degree in which an atmosphere of excitement, especially when we enter it young, and continue in it habitually, is fatal to the higher and deeper life. The subtle poison which it disseminates throughout the whole character—how it saps solidity and strength of mind; how it daily becomes more necessary, and in increasing measure; how it enfeebles and renders abnormally sensitive the subtle organization of the brain; and how far, by slow and sure gradation, it carries us on towards a mental and moral condition which may justly be pronounced unsound. Every year the world is more exacting in its demand from all labourers except mere manual ones."

Success in professional, public, and commercial life demands more strenuous and exhausting toil, sterner concentration, and a more harsh and rigid sacrifice of the amenities which time offers the easy-going, than was formerly the case. The eminent lawyer, the physician in full practice, the politician who aspires to be a minister, the business man ambitious to get on, are now condemned to an amount and severity of exertion which forces one after another to break off (or break down) in mid-career, shattered, paralyzed, reduced to premature inaction or senility. What work does for the learned professions, anxiety does for the merchant and manufacturer. All those who have gone through the ordeal know the intense strain felt by the man who means not only to pay, but to pay rigidly to time. There are men who for years fight Dame Fortune as courageously as any ancient Spartan; their business has steadily developed, when from some change of fashion, some competitor who better understands the "wants of the times," or let the cause be what it may, the trade begins steadily to decline, and they have to struggle on, year after year losing part of their little capital, month after month fighting as for life to meet their bills on every fourth, or settling day, or both, yet to the outside world apparently as free from anxiety as any actor on the stage. Hard physical or mental work seldom, if ever, kills; it is the ever-present anxiety, which acts upon the nerves and heart, that destroys us. If you put upon a beam a pressure greater than it can bear, it will break; so it is with us; the mind acts upon the body. These anxieties it is impossible to imagine; you must undergo them to know the torture of feeling for years the dread that eevry month you may, by not being prepared to meet your payments,

lose the labour of a lifetime. This makes sad havoc, however bravely we may seem to bear it; and year by year it makes inroads upon our powers of resistance, and undermines our health. You may have seen stout planks cut through, baring to the light colonies of little insects which have been steadily but surely eating away its strength; so it is with us. Many of us seem capable, except to the experienced eye of the physician, of bearing a great deal; but, at a certain period, when the anxiety is most intense, an unexpected loss comes, or a remittance we had fully relied upon to help us fails us, and we give way. How few suspect the large number who walk about seemingly in good health, but in this precarious condition, each bearing within a hidden something which, like the insect of the wood, is undermining their strength, and so, when any unexpected or heavy trouble comes, sink under it!

Success, in the majority of cases, is not worth the price paid for it, because men want too much of it. As a rule, the men who succeed in business have to give up their entire life to labour in mastering and regulating the details thereof, and thereby lose all capabilities for a better life, all relish for recreation and contemplation, and all true appreciation of the leisure when it comes at last, as the faculties of enjoyment, like all others, are apt to—nay, must—from want of use, grow atrophied with disease; and the successful man, with much to retire upon, has nothing to retire to; for literature, science, domesticities, public and philanthropic interests—nature itself, with its exhaustless loveliness and its perennial refreshment—have been lost sight of during the mad struggle, and these are treasures the key to which soon grows rusty, and friends that, once slighted, cannot be whistled back at will. So we sacrifice life to a *living*, and lay the foundation of a sad and dreary old age. The excuse is that this excess of toil is unavoidable—that you must keep the pace, or fall behind, and be trampled down by competitors who are more ambitious, or less inclined to measure and appraise the objects and the worth of life; and that, in a civilization like ours, moderation is forbidden to those who would succeed at all, or not actually fail. I fear it is so, and this is my reason for giving *health* the most prominent position in this work on Business, as, if we must work *over-hard*, we must work with greater caution and more thoughtful arrangements, so as not to have to work *so long*, and be prepared by economy to yield the place to younger and needier aspirants as soon as possible. Daily experience must convince every observant man that excess is enforced; moderation, which to the wiser Greeks seemed the essence of wisdom, is forbidden, for even to those endowed with the right natural capacity for their vocation, if ambitiously disposed and without capital or

friends, incessant application and severity of toil are so absolutely essential that such men, to win the prizes of life, need exceptional physique. Physical and cerebral toughness are the prime requisites.

This high pressure, this ceaseless wear and severity of toil, leaves the work of life, and assigns its prizes more and more to men of exceptional physique, the peculiarly healthy, the specially strong, the abnormally tough—those whose rare frames and constitutions are fitted to endure the unnatural and injudicious strain under which the average man succumbs. In short, the race of life is so rapid, the struggle of life so stern, the work of life so hard, that exceptional organizations seem essential everywhere to great achievements, or anything beyond merely getting a living. The moderately endowed, the steady, fair, average men, the medium in all things, in wealth, in brains, in health and strength, are "nowhere" in the strife; the slow moving, the tardy developing, who fifty years ago might have attained a decent position and secured a decent competence, bid fair to be elbowed out of their careers; while the prospect before the dull and the dunces, who are seldom in the minority, is growing deplorable indeed.

The vitality of a nation rests with, and depends upon, the conduct of its individuals: the people now living are moulding the vitalities of those who have to follow them. If health be properly taken care of, death would not arrive until its appointed time, when it would cause no terror and inflict no pain. Proper rest, keeping from excitement and anxiety, thereby enabling you to bear annoyance with serenity, avoiding excess in eating or drinking, understanding your bodies, and treating them with the same attention as a good groom does a horse, will enable you to live longer than your fellows. According to the statistics of M. Legoyt, the vitality of the Jews exceeds that of the Teutonic and Celtic people amongst whom they live; the necessities of their persecuted career having made them more chaste, more attached to home, more tender to the feeble, more careful of to-morrow, and more careful of themselves than other people are. Poverty often tends to length of life, whereas luxury shortens life, unless accompanied by true ease of mind and body. Vitality has influences existing independently in ourselves, but manifested through our organic parts. There can be no doubt, by reason of ignorance and folly, we sacrifice two-thirds of the capital of vitality which is given us: this is proved by those cases of human families, themselves by no means perfect, which by care have conserved and increased their vitality; whilst others, with splendid organisms, by trying to defy nature, and by a perversion of their free will, take from themselves, their children, and their children's children that capacity for vitality which naturally belonged to them.

FOOD.

"Let the student honour his food, and eat it without contempt. Food eaten with constant respect gives muscular force and generative power; but, eaten irreverently, destroys both. Excessive eating is prejudicial to health and virtue."—*Hindu.*

"Nor is it left *arbitrary*, at the will and pleasure of every man, to do as he *list;* after the dictates of a depraved *humour* and extravagant *phancy*, to live at what rate he pleaseth: but every one is bound to observe the *injunctions* and *laws of nature*, upon the penalty of forfeiting their *health*, *strength*, and *liberty*, —the true and long enjoyment of themselves."—MAINWARINGE.

It is an anxious question with many, "What to eat, drink, and avoid." It is said that "at forty every man is either a physician or a fool," but, properly trained, every one at "fourteen" should know his constitutional peculiarities, and what food is adapted for or disagrees with him; every one should himself be the best judge of what seems adapted for his constitution, and best calculated to give him the power, mentally or physically, that he requires. If a certain diet or drink suits you, take it, let the physician or theorist say what he may. As the due nourishment of the body cannot be delayed without danger to health and life, the Creator, with that beneficence which distinguishes all His works, has been most lavish in the variety of eatables and drinkables, adapted for every constitution and stomach. And to compel attention when nourishment is necessary, we have the sensations of hunger and thirst, our appetites acting as watchful monitors to enforce attention to the wants of the system; and the feeling of hunger is one not easy to resist. Without this instinct "to eat," we should die. Other motives, as it is, prevent our taking food at proper intervals; but if wise, we should recognize the importance of nourishing our body by a supply of food in proportion to its wants. It is a great blessing not to know you have a stomach; this you will secure if you exercise self-denial, and abstain from anything that disagrees with you, and take in moderation what gives you pleasure and supplies the nourishment necessary to repair the waste your daily duties make upon your system.

All organized bodies are nourished by the introduction into their internal structures of materials from without. Such materials are called aliments, or food, and are fitted to supply and maintain the

fluid and solid matter of the body. For this purpose, they must either be soluble naturally, or capable of being dissolved by the digestive principle of the stomach. However diversified the articles may be in external appearance or chemical composition, they are reduced by the action of the organs of digestion into a fluid (chyle) of homogeneous character, which is reconverted into solids and fluids of different natures by the influence of the powers of assimilation. In animals and vegetables we can observe the phenomena of decomposition and reproduction, and analyze distinctly the substances that administer to their growth and repair. Man derives his food from both the vegetable and animal kingdoms, but the animals which are consumed by man derive their nourishment from the vegetable kingdom; so that plants are the true source of all the food both of man and the lower animals. In reality, we are all vegetarians; but the Creator, in His wisdom, has created animals, who, no doubt, enjoy their existence, and are useful to man in preparing for him a part of his food, from which he derives nourishment quicker than if he had to live entirely upon vegetables. The mixed diet is better adapted, alike for his teeth, digestive organs, and stomach; and the wise man will nourish his body by partaking of the varied animal and vegetable substances the Creator has supplied for his enjoyment. Climate, custom, religion, give rise to an innumerable diversity of food and drink,—from the repast of the cannibal savage to that of the Parisian epicure; from the diet of the carnivorous native of the North to that of the Brahmin, whose appetite is satisfied with vegetables; from the oak-bark bread of the Norwegian peasant to the luxuriously served table of a Hungarian magnate at Vienna; from the bread and cheese and beer of our working class to the sumptuous extravagance of the dinner-table of our aristocracy. Some nations abhor what others relish, and great want often renders acceptable what, under other circumstances, would have excited the greatest disgust. The aliments, or articles of food, of different countries, vary with the climate, and exert a great influence on the different races. The food taken influences the health, and even the character, of man. He is fitted to derive nourishment both from animal and vegetable food, but can live exclusively on either. Natives of the North incline to animal, those of the South to vegetable food. Animal food most readily augments the solid parts of the blood, the fibrin, and therefore the strength of the muscular system; but, without exercise, it disposes the body to inflammatory, putrid, and scorbutic diseases, and the character to violence and coarseness. Vegetable food renders the blood lighter and more liquid, but forms weak fibres, and disposes the system to the diseases which spring from feebleness, and tends

to produce a weak, inoffensive, gentle character. All kinds of aliment must contain nutritious substance, which, being extracted by the act of digestion, enters the blood, and effects by assimilation the repairs of the body. Alimentary matter, therefore, must be similar to animal substance, or transmutable into such. In this respect alimentary substances differ from medicines, because the latter retain their peculiar qualities in spite of the organs of digestion, but act as foreign substances, serving to excite the activity of particular organs or systems of the body. All alimentary substances must, therefore, be composed, in a greater or less degree, of soluble parts, which easily lose their peculiar qualities in the process of digestion, and correspond to the elements of the body. These substances, in their simple state, are mucilage, gelatine, gluten, albumen, farina, fibrin, and saccharine matter. Of these, vegetables contain principally mucilage, saccharine matter, and farina, which latter substance, particularly in connection with the vegetable gluten, by which both become fit for fermentation, and thus for dissolution and digestion, is the basis of very nutritious food. The nutritious parts of fruits consist of their saccharine matter, and a little mucilage. In animal food gelatine is particularly abundant. The nutritiousness of the different species of food and drink depends, therefore, upon the proportions which they contain of these substances, and the mode in which they are converted, favouring or obstructing their dissolution. Organs of digestion, in a healthy state, dissolve alimentary substances more easily, and take up the nutritious portions more abundantly, than those of which the strength has been impaired, so that they cannot resist the tendency of each substance to its peculiar chemical decomposition. The wholesome or unwholesome character of any aliment depends, therefore, in a great measure, on the state of the digestive organs in any given case. The food is good or wholesome according as it is in harmony with the strength of the organ that has to digest it. For instance, food abounding in fat is said to be unwholesome, because fat resists the operation of the gastric juice; still, there are lots of people that can eat fat, enjoy it, and derive benefit from it. That food is the most wholesome which is suited to the digestive powers of the individual—food that is easily dissolved; but in order to render food perfect, the nutritious parts must be mixed up with a certain quantity of other substances affording no nourishment, but which fill up the stomach, because people are too apt to injure their health by taking too much nutritious food; and the nutritious parts of food which cannot be dissolved act precisely like food which is in itself indigestible. Stewed and boiled meats are much more difficult to digest than roast meat. A great deal

depends upon the cooking; many a simple, nutritious article of food is made indigestible by artificial cooking. The addition of too much spice makes many an innocent aliment injurious, because spices resist the action of the digestive organs, and produce an irritation of particular parts of the system. The healthy appetite does not require its food to be highly flavoured; "made-up dishes" are artificial stimulants of appetite that all wise men should shun. More persons die in England from *hard eating* than from *hard drinking;* excesses in the former are more dangerous than in the latter.

"The first physicians by debauch were made,
Excess began, and sloth sustains the trade."

Moderation both in eating and drinking is one of the surest means of preserving health, as well as of assisting us to regain it. Early habits of self-command in the regulation of the appetites are of the greatest importance to all who would enjoy good health and long life. If we keep to our regular meals, we have as a reward a healthy appetite, and rarely eat more than the system requires; as we instinctively get into a habit of eating a fixed quantity. I was offered something tempting the other day, and upon rejecting it, because "I never take anything in the shape of drink or food between meals," the reply was, "How strange! I am always eating, yet 'never enjoy a meal.'" The food should vary with the habits and occupation; if out much in the open air, or doing plenty of work, animal food or eggs may be taken for breakfast; but persons with delicate digestive powers, or who lead a sedentary life, and in-doors all day, cannot with safety or comfort eat animal food or "ham and eggs" *constantly* for breakfast. Buttered toast, muffins, new bread, salt meat, dishes highly spiced, turtle soup, and late dinners should be avoided by all with weak organs of digestion, or weak stomachs. Fish is easily soluble, and, when eaten without heating sauces or much butter, is a healthy and agreeable food. A temperate meal of animal food seems to fit the mind and body for any degree of exertion. Boiled vegetables are, in general, easy of digestion; raw vegetables and salads are rather more difficult, and your own experience will tell you if they suit you. The test is a simple one: a meal followed by heartburn, flatulency, oppression, flushing of the face, indisposition to all exertion, indicates you have taken the wrong materials, or indulged in greater quantity than you required; if wise, you will think over which of the two causes has produced the unpleasant effect, and stop its recurrence. Fruit is wholesome, but should be taken in the forenoon, instead of after a hearty meal. The less we take of fermented liquors and spirits, the better; when water does not disagree, and gives us a pleasure in drinking it, we should value the privilege, and continue

it. But, as has been said of solids, so of liquids, it is more often the quantity than the quality which proves hurtful. If men could be firm enough to "allowance themselves" to a limited quantity of wine or spirits, there would not be much, if any, harm in the indulgence; but, unfortunately, men indulge, forgetting that "excess" in wine produces gout, apoplexy, palsy, and sudden death; and that indulgence in spirits will predispose to cancer of the stomach, scirrhous liver, dropsy, and madness. "As we sow we reap." But the punishment that follows disobedience may be removed or lessened by obedience; gout, corpulency, most diseases, may be conquered by diet alone, independently of the use of medicine. Many infants perish from having too much sugar given them in their food, which creates acidity in their bowels, and looseness, and even convulsions. When infants are affected with eruptions and cutaneous complaints, they may often be cured by giving them no sugar, and indulging them freely with gravy and salt. The best food for infants is their mother's milk; but in general they may be weaned with advantage at five or six months, and when they begin to cut teeth it is proper to indulge them with soft-boiled eggs, beef-tea, and even chicken minced very fine. Mothers, watch your infants' teeth; if weak, get the best advice at *once* how to strengthen them; regulate their diet, to make the best bone; act strictly to the advice of the best dentist you can find.

The great prevalence of disease and decay of the teeth is of comparatively modern origin, and is due mainly to dietetic causes or neglect. The teeth question is one of vital importance, as nutrition, health, comfort, longevity, all depend largely on the proper mastication of food. Perfect utterance is impossible without a good set of teeth; and when a smile passes over a lovely face, and the parted lips disclose a regular and harmoniously tinted row of ivories, it must be conceded that it has been assigned to the teeth to give the finishing touch to that quality which we call *expression*, which is the essence and charm of personal beauty and attractiveness.

"There are two things in life that a sage must preserve at every sacrifice—the coats of his stomach, and the enamel of his teeth. Some evils admit of consolation; there are no comforters for dyspepsia and toothache" (Lord Lytton). Prevention is better than cure; therefore, while your teeth are still sound—or, in any case, it is better late than never—make it a rigid and invariable practice to rinse the mouth after *every meal*, and to brush the teeth not only when you get up, but when you go to bed. This simple habit will be found of the highest utility in preserving the teeth and gums, and arresting decay. Never crack nuts with your teeth, or let your children do so; and be careful when eating "currant pudding," which should be made without stones,

but, at times, the cook forgets her duty; and many a good tooth has been ruined by the fracture of a small portion of the hard grinding surface, and consequent exposure of the dentine. As good teeth or bad teeth, deformity or development, depend so much upon the introduction into the bodies of children of sufficient of "bone-forming material," I ask from you special attention to that article of food we all require—"bread."

If you examine the magnified section of a grain of wheat, you will find that all the central and by far the larger part of the section is composed of the cells from which alone white flour is made. Analysts tell us that these cells contain a very large proportion of starch and a small per-centage of the nourishing substance known as gluten. Surrounding this white central portion of each grain of wheat, are five layers of other cells; and outside all is the hard skin—a woody, fibrous, and even flinty covering, which contains nothing valuable as human food. But the layers of cells, *lying between this hard skin and the central white portion*, are rich in materials which go to support life. The inmost layer—that next to the starchy centre—is composed of large cells, chiefly formed of gluten; the remaining layers are full of useful mineral matters. Properly to sustain human life and health, it is needful that a due proportion of all the materials which exist in each of these parts of the grain respectively should be taken in food. There are but few articles of diet which contain them all, and in the right proportions; among these are milk, and eggs, and bread made from the *whole* of the wheaten grain. The office of each of the constituents of the wheat is definitely known in regard to the support of life. The starch is valuable as a heat-producer; the gluten goes to form flesh; the phosphatic salts and other mineral matters go to the formation of bone and teeth, and to the nourishment of brain and nerves. There can be no doubt that wheat in its natural state was intended by the Creator to be made into wheaten bread, and that in wheat-meal bread we have the cheapest, the most convenient, and most universally wholesome medium of getting the required proportions of the various necessaries of life into the system. But because "white bread" is considered to be "more palatable," for the last century and a half we have been making this essential article of diet so as to give us but *a part* of the needful nutriment that we require, and that part in *too large a proportion*. And the whiter it is, the worse it is, so much so that if any one had to live upon it, and upon nothing else, it would starve his bones and his brains, as too large a proportion of starch is retained in the preparing of white flour, and a large proportion of muscle and tissue formers, and almost all the material for the formation of bone and the nourishment of nerves and brain, are rejected;

and in this way we have been wasting a great deal of precious human food. It is accepted as a fact that "a very small proportion of phosphate of lime introduced into the dietary of a growing child is capable of making the difference between deformity and development," and it is the absence of sufficient bone-forming material that makes our children liable to "rickets." Yet the fact is not brought home to our poor, that the "bone-disorder" to which their children are subject is attributable to the fact of a blind adherence to the custom of eating bread made exclusively from white flour, which is deficient of the lime and phosphates the bodies of their growing children so much need. With the middle and higher classes, what is lost in the "white bread" is partly supplied by the meat, milk, and eggs they are able to obtain; but they also suffer, more or less, from eating *artificial*, instead of *natural*, bread. Brown bread, as too commonly made, is worse than white bread, being made of white flour, with some of the outer husk—the hard, innutritious coatings of the grain—coarsely ground, and mixed with the flour; so that to the negative disadvantages of the white bread is added the positive disadvantage of an irritating property—the rough, hard, indigestible husk, which, when eaten, by its mechanical action, irritates the alimentary canal, and prevents the food from stopping long enough in the body for what nourishment it contains to be duly absorbed and assimilated. Such bread is thus not only wasteful of its own material, but also of the human life-force and machinery that has to do with it.

Whole-meal bread is better than white or brown bread, as we have in it the precious phosphatic salts in sufficiency, and also gluten and albumen in the full proportions. But there is the drawback of the flinty skin; so that, though whole-meal bread is intrinsically richer in nourishing matter, it is no less irritating than common brown bread; and the nutriment is, therefore, not fully extracted from it by the eater, because its irritating property shortens the time of its digestion, and does not allow the system time enough properly to assimilate it. This is, no doubt, the reason why our navvies and other members of the hard-working class prefer white bread to brown; and many people believe the whiter it is the greater its excellence as an article of food, because they find themselves less nourished by the "brown bread," owing to its stimulating quality. But the "right thing" in bread has as yet not had a fair trial. We want for this important article of diet a bread that shall combine the digestibility of white bread with the nutritive quality of whole-meal bread, without the disadvantages of either. We get this in "wheat-meal" bread, in the preparation of which nothing is omitted from the grain as given us by nature but the innutritious

outmost skin; the five layers of cells, containing the valuable mineral matters, are all retained, and we get as a substitute for the only semi-nutritious article now in use an article of food a shilling's worth of which, it is stated, will provide an ample meal for nine adults. As to its digestibility, Dr. H. C. Bartlett tells us that, "within the cellular formation of these skins (or layers), a curious fermentative, albuminous principle is formed, which in itself not only affords a most valuable nutritive quality, but has also the effect of rendering the flour of the kernel more easy of conversion into a digestible condition, and materially assists in a rude purification, or bread-making, which, however primitive, affords strong and healthy food staple." This superior digestibility of wheat-meal over other whole-meal bread is owing to two features special to itself—its freedom from the hard, objectionable, and useless outer skin, and the fineness to which the meal composing it is ground. In the ordinary brown and whole-meal bread there exist "split chaff, awns, and other bristly processes, besides, in some cases, débris of various kinds, and bran flakes." Wheat-meal bread is made from meal freed from these irritants, the grain having been subjected to a process of scraping, called *decortication*, before being ground; and the other result—the fineness of the ground meal—is obtained by the use of suitable *steel* mills. Only in a steel mill is the fine grinding of the harder parts of the grain possible without damage to the quality of the grain. Ground in the ordinary way between stones, the branny portions of the grain are necessarily delivered in those large angular flakes which are the cause of the irritating and indigestible properties alike of common and of whole-meal brown bread. By the use of a well-adapted steel mill, the grain is cut or chopped into minute fragments of a granular form. Besides avoiding the evil just noted, this process has a further advantage—the nutritive properties of the grain so treated undergo none of the deterioration which always accompanies the fine crushing of meal between stones. Such fine crushing develops much heat, which heat, in technical phrase, "kills the quality" of the meal, so that it is impossible to make really light bread from it. Besides this fine, steel mill grinding, it is especially important that the meal be passed through an 18-mesh sieve, as further security against the retention of any large or angular particles. What will not pass the first time should then be re-ground. This simple but perfect process completely remedies the irritating quality of the meal.

The Spartans and Romans of old lived their vigorous lives on bread made of wheaten meal. In Russia, Sweden, and Scotland, the poor live chiefly on bread, always made from some whole meal-wheat, oats, or rye; and the peasantry of whatever climate, so fed,

will compare favourably with our South of England poor, who, in a condition of indigence, precluding them from obtaining sufficient meat-food, starve, if not to death, at least into sickliness, on the white bread it is our modern English habit to prefer. White bread *alone* will *not* support animal life; bread made of the *whole* grain *will*. The experiment has been tried in France by Magendie. Dogs were the subject of the trial, and every care was taken to equalize all the other conditions, to proportion the quantity of food given in each case to the weight of the animal experimented upon. The result was sufficiently marked. At the end of forty days, the dogs fed solely on white bread died; the dogs fed on bread made of the whole grain remained vigorous, healthy, and well nourished. The poor who inhabit the crowded alleys of our English cities cannot afford good milk, meat, or eggs; "bread" is their principal support, and it is almost a question of life or death to this large class what manner of bread they eat; their wan, stunted children, with frequent deformity and early toothlessness, give evidence of deficient bone nourishment. The innutrition which causes a dog fed only on white bread to die in six weeks must go some way towards killing a human being similarly fed; at all events, we are justified in inferring that the food which kills a dog must impair the vitality of a man. How can we expect children to grow and develop properly, so as to live healthy lives, and be able to perform their daily work, on a diet that starves a dog? But it is not only the bones and teeth that suffer if the mineral matters needed to form them be wanting in the food taken; the nerves and brain suffer likewise. "No phosphorus, no thought," said a celebrated German; and, materialistic as the saying appears, there is no escaping that fact of which it is a one-sided expression. Phosphorus is not a synonym for thought—is not thought; nor does thought depend only on phosphorus in the brain for its existence; but thinking does depend in various ways on the healthy condition of the nervous system; the condition of the nervous system is healthiest when it can absorb a certain due measure of phosphorus, and if *no* phosphorus be supplied, the brain ceases activity entirely. The majority of people like the dignity of mystery in talking of the "spirit" within us; but the stubborn truth remains, that "an ill-nourished brain cannot perform its functions efficiently, and its possessor is for the time being so much the less a thinking being." Our brains, as well as our bones, require phosphorus; when the people are wiser, they will supply the same in the shape of the "best bread" that can be made—bread made of the wheat as supplied by the Creator; thus securing an article of diet containing the phosphates, gluten and albumen; man doing his part by grinding the meal to

the necessary fineness, and using it in its entirety; giving us a bread nutritious, because made up of due and digestible proportions—nothing wasted or omitted but the outer skin, objectionable for man to eat, but useful as a covering to the valuable grain within it. In America, the plan has been tried of adding phosphoric acid to the white flour. Dr. Graham suggests the introduction of precipitated bone phosphate and salt. But why substitute such "artificial mixtures," and complicate and make more expensive the process of bread-making, when we have "nature's own mixture"? Common sense confirms the convictions of a writer in the *Lancet*, that "no artificial combination of the supposed elements of a normal whole meal in arbitrary relations can compare with the natural food of man." Artificial combinations have never the dietetic excellence of natural ones. There need be no persistent obstacle to the supply of the complete flour for making nutritious, healthy, economic bread. If the clumsy mills in use will not do the work required of them, it is easy enough to devise a crushing apparatus that shall answer the purpose. The modes of milling are clumsy and ill-fitted to the delivery of well-ground meal. Relatively to white flour, whole meal of even imperfect fineness is preferable; but we can render it still more so, and get rid of its faults, by improving the system of grinding. As regards the prejudice in favour of "white bread," the people will be only too glad to eat whole-meal bread when they can be furnished with an article which does not offend the sight by its needlessly dirty colour, and the stomach by its mechanically irritating constituents. A liking is rapidly acquired for an article of food believed in as good, pure, and wholesome. Just as the eye may be educated to different appreciation of colour or form, and the ear to different taste in music, so can the palate be educated if a sufficient inducement be presented to the mind. The foregoing remarks upon bread are based upon an article, "How to Eat Bread," by L. T. Bevington, in the *Nineteenth Century* for September, 1881, and the writer remarks: "If the personal testimony of a 'social unit' be of any value whatever, I may say that I find wheat-meal bread both wholesome and palatable, and that since I have taken it I find it possible comfortably to dispense with meat more than once in the day. I began the use of the bread on the mere ground of giving a struggling reform fair personal trial, and I continue it on the ground of acquired preference." Brown bread is valuable as an irritant to sluggish stomachs; hence its value to those who suffer from constipation. I have eaten it for years with this object, and derived great benefit therefrom. But it should only be taken "medicinally," as it does not agree with every one, whereas "wheat-meal bread" agrees with all stomachs.

RECREATION.

"If all the year were playing holidays,
To sport would be as tedious as to work."

"Sweet recreation barr'd, what doth ensue
But moody and dull melancholy,
Kinsman to grim and comfortless despair."

SHAKSPERE.

THE object of recreation is to give fresh life, to reanimate; but more especially to revive the exhausted strength or languid spirits, to relieve one from a daily monotony that has become wearisome, to divert the mind from its usual thoughts, to refresh the strength and spirits after toil, to "re-create," as it were, by giving new vigour and animation to our brains and body. To secure this, we want more leisure and more places of healthy and sensible recreation on week-days, so that we may enjoy life more. At present we have a morbid way of always thinking of "to-morrow;" even in our moments of relaxation it is, "What shall we do next?" We need to be taught how to enjoy the "present;" especially Home! our little world, with its interests, difficulties, and sorrows; but it has also its own unique blessings and joys. It is the sanctuary of the heart, where the affections are cherished in the tenderest relation, and love triumphs over all selfish calculations. There is no "recreation" equal to the "home" for the man of business. After having been employed all day, under a constant pressure from the earnestness of competition and the complexity of modern modes of business, with greater fluctuations and uncertainties than ever, and the balance-sheet, favourable or otherwise, depending upon the care of those that carry out the details, the mind incessantly engaged, mishaps and errors wearying and worrying him all day,—what a sustaining influence it is to know that after the day's toils he has a wife and children waiting his return, and in the quiet, affection, and confidence of home, his mind and body will be refreshed, and energies renewed!

Do we use our Sundays wisely? We have one day out of seven free of toil; we waste the precious boon. Ask yourselves if it be not possible to derive more enjoyment, more recreation, from it. "One day in seven" free of work and worry; who can doubt that, if used for intellectual culture, it must conduce to a higher morality? At

present the only indulgences allowed are such as cause the wages of the previous week to be spent upon the gratification of unworthy desires. There are public-houses and similar places, that "degrade;" but nothing, except churches and chapels, to "elevate." Is it not our duty to offer to every man on the Sabbath the choice of literary or artistic culture—a something to occupy this "seventh day," that will not only afford him a never-failing "source of pleasure," but will tend to the development of the powers and capacities that God has given him? But it is not "religious," people say. I say it is the highest form of religion, as it will cause the proper development and use of all the faculties of man, and not the exclusive preference of one or other of them. You say, "the Sabbath-day is holy;" I reply, that "all days" are alike of equal sanctity; in all alike we are equally responsible for the right employment of our powers; and that no human life is complete or free from danger, evil, and misery, if any of these faculties are unused, stunted, or perverted. For a truly religious life, theologians should rely more on the "green fields," the "marvels and wonders of creation," our museums and picture galleries.

If we want to elevate the masses of the people, we must use the artistic and educational influences within our reach on Sundays. This fact is recognized and acted upon throughout the continent of Europe, alike among Protestant as well as Roman Catholic populations; and they are wise. What chance is there of the masses being acted upon by religious influences until they are lifted out of their present miserable social and neglected mental and moral conditions? Common sense tells us to appeal to their higher feelings and tastes in a way they can understand and will respond to. There are thousands who will not go to church or chapel that would be improved mentally and morally by music, paintings, sculpture, the beauties of creation, to be seen in museums, galleries, and gardens. Let the people understand these are all Divine gifts, bestowed to make men happy, and you are taking the surest means to make them religious. There is no surer way than to awaken man's thought and reason, and by stimulating his imagination by the sight of the beautiful, the grand, and the noble in the world of humanity and of nature. Let him realize that in the midst of evil there is a majority of good, in all corrupting influences there exists a redeeming quality of mercy and forgiveness. Raise his hope of a better future; take him for a time out of his wretched home, with its foul air; tempt him from the public-house by some rational recreation. By degrees the higher faculties will be developed; that which is degrading will become repulsive and hateful; and the whole nature of these neglected thousands will quickly undergo a transformation, and becoming happier,

their lives will be more human, and in time they will feel thankful for life, and truly religious. As to Sunday recreation leading to "Sunday work," it is simply absurd. Working men, all men, want the day of rest—real, quiet, wholesome rest; that is, a rest that will take us out of ourselves for a little while, help us to cease from brooding over daily troubles, and enable our brains to set to work with fresh vigour to grapple with the difficulties that harass us, and to deal successfully with the problems of our existence, whatever they may be. These men, living day by day by the sweat of their brow, in the sordid, dismal surroundings of our great cities or manufacturing towns, or in the black country, or spending their days labouring in the bowels of the earth, shut out from sunlight and from everything that is beautiful in nature, want recreation and rational enjoyment; or, if you force them to spend it in idleness, as heretofore, if you will continue the cause—dismal, gloomy Sundays—you must put up with its effect, "drunkenness." There should be open places for recreation generally in every parish; the want of this is as imperative a necessity for the living as cemeteries to inter the bodies of those who have "gone over to the majority."

We want the people to have natural, proper, and innocent rest and recreation on the Sunday. As to emptying the churches, that is ridiculous; besides, the "religiousness" of the people must be at a low ebb, if they simply go to church or chapel because there is "nothing else to do." We want to elevate the ideas of the people—that large class that never go to church at all. I ask, is it not natural to suppose that people who spend their Sundays rationally and intelligently in the enjoyment of nature and of works of art would be more likely to improve, and find themselves in a frame of mind to induce them to attend places of worship, instead of, as now, spending their Sundays wandering aimlessly about the dirtiest of our streets, lounging outside public-house doors, longing for the hour of opening, and then using the time allotted in trying to obtain in the excitement of drink that forgetfulness of their troubles and worldly care which we ought to try and procure for them by utilizing the numerous innocent and legitimate means within our reach? The objectors are theologians, who contend that amusement or recreation, however good in itself, is wrong and wicked when enjoyed on the Sunday. This "Sabbatarianism" we owe to the Puritans. Puritanism did much good—it was a vigorous reaction against an excess of liberty; it acted at the time as a wholesome corrective; but, unfortunately, it carried its principles to extremes; and in protesting against too much levity, the effect was then, and has continued to this day to be, the stripping life of all legitimate, healthy enjoyment, and to take from the people,

more especially the poor, all their innocent pleasures and pastimes. It has cast a cold, dull shadow over the existence of the English people, which has saddened the whole life of the nation, and has done more than anything else to foster the greatest vice of modern times—the vice of intemperance. The worst of Puritanism was its persecuting spirit; and this spirit has been gaining strength here again of late years; it is "intolerance" in another form; "good people," not content with acting as they think right themselves, or trying in a legitimate way to induce others to do as they do, but perpetually asking the aid of the "Law," to COMPEL everybody else to conform to their ideas.

It has become an imperative necessity that our growing young men have gymnastic institutions and facilities for active games, a place in every parish throughout the kingdom to supply rational recreation, so important to the national health, happiness, morals, and inteligence. So urgent is the need to counteract the drain upon the human system in the present struggle for life, that no thought, pains, or money should be spared in providing such places of recreation, adequate in number and competent in character to meet so important and so great a need. We want public parks for fine weather, and buildings for wet weather, wherein gymnasia, boating, cricket, lawn tennis can be had at the public expense; places where working men and boys, and the employé class generally, are able to spend their leisure time in healthy out-door or in-door recreations. We want the Picture Galleries, British Museum, and similar buildings open on Sundays, and bands in the public parks on summer evenings and Saturday afternoons, provided at the public expense,—money well spent, if we consider the refining influence of the means. We punish the poor for their crimes at a heavy cost, yet we fail to see the false economy of our actions; we fail to see that crime is the result of misery, or arises from our driving the working classes into gin-shops, through depriving them of the innocent and refining influence of pictures, works of art, music, to satisfy the puritanical spirit of the few who, in all ages, have so zealously striven to domineer over the health, the happiness, aye, and the morals of the many.

It is a great blessing to be able to leave the labour of our life behind us. Nature, with her usual justness, seems to have arranged that those who concentrate their faculties upon their work are rewarded by being able to divert their minds from their work; the habit of concentration giving its possessor the power to fix his mind upon whatever object he has in hand. Such men must have something to do; but the reason why they do so much is their earnestness of purpose whilst at work. But it is a singular fact that, although

people imagine such men think of nothing but business, they no sooner leave their business than they forget it utterly, and become as absorbed upon some other work. I am opposed to those who argue that it is a great mistake to allow any kind of business considerations to intrude upon one's brief annual holiday. I am not one of those who have their work sent to them because they think this world cannot get on without them. But it is necessary to do a little daily, so as to keep the mind in proper working order, and also to keep oneself *au fait* with things as they are. It is bad enough to pick up the links again, after being absent a few weeks, even if the most important points have been brought under your notice; but to "know nothing" of what has been done for two or three weeks, and then return and attempt to grasp the whole, or be equal to the resumption of the management, is a task I, for one, should not like to undertake. I am opposed to the "over-work" idea. All my life it has been work; "body and brains have never failed me yet." The mind needs change of work; the leisure of the holiday, of any respite from the daily routine, affords us the opportunity for work in some favourite line which the ordinary business of life does not permit of being indulged in. There is no greater pleasure than in being occupied at work which is highly congenial to us, and which we are able to pursue in novel and pleasant surroundings, whether it be literary work or the sketch-book, mineralogy or botany. The greatest possible refreshment to the brain and body is not idleness, but a change of occupation. The great benefit of the annual respite is, no doubt, the relief from the daily occupation, which, from its sameness, has become monotonous to us, and the parts of the brain engaged therein may want a rest; but there are other parts of the brain that have not been overtaxed —on the contrary, have not had enough to do—and it is change of "mental occupation" that is needed, and from which we derive benefit. A change of scene, it is said, is beneficial mainly because it takes the mind out of its ordinary grooves, and provides it with fresh objects of interest; in reality, the change is beneficial by giving occupation to those parts of our brain that have been "under-worked;" and the change does us good if we so use the time that rest is given to that part of the brain which has been occupied, by giving work to the other part that has had too little to do. The pleasure is in getting a relief from the monotony of our usual daily life, and following instead a "hobby," which means work that gives us the greatest pleasure in life. To those whose avocations enable them to exclude their usual daily work during the respite altogether, no doubt it is preferable, if they employ the time at some other occupation. "Change of work is the wisest play;" it strengthens and invigorates us; whereas "idleness"

weakens us, takes away appetite, stops the action of liver and stomach, is the cause of the repeated complaints one hears at the seaside—"feel queer," "out of sorts," "bilious," "costive," "indigestion," &c. "Idleness" is a mistake, and bears its own punishment; work is necessary, nay, essential to the greatest blessing on earth—"a healthy mind in a healthy body," ready for your meals, and utterly unconscious that you have either liver or stomach.

When an organ of the body is in a state of activity, when a man is doing his work, he does so by and through the aid of the various tissues which are constantly being built up into an efficient state for the performance of their respective functions by the nourishment they receive from the blood. The more work a man does, the more energy he must expend. Work is the using up of nutrition; so you will perceive that the expenditure of energy must depend on the power of nutrition. If the work done be in excess of the nutrition supplied to repair the waste caused thereby, the tissue or organ will soon be unable to continue its work; it becomes expansive; and we get that feeling of languor, of disinclination to do anything until we have been passive long enough for the organ to be slowly and gradually refreshed or built up by the process of nutrition. A respite from toil, healthy recreation, change of occupation, doing work that is a pleasure to us, and abstaining therefrom directly the same fatigues us; periods for the using up, in fact, of less of our capacity, so as to give nature time to recruit the overdone organs, is as essential to keep brain and body healthy, able to do a good day's work, as the general restoration we all get during sleep—that time of general rest during which the process of nutrition is allowed to gain upon and repair previous exhaustion. Recreation, then, should be time given to a change of organic activity, having for its object the affording of time for the nutrition of exhausted portions of the body. A part of the body having become exhausted by work done, recreation is the affording of local sleep to the exhausted part by transferring the activity from it to some other part. A certain amount of activity is necessary for the life and health of all the organs of the body; and it is wiser to transfer the activity from organs exhausted by work to those which are ready nourished to perform work, instead of acting as if all the organs were in need of rest or sleep. There is a time for recreation, partial sleep, as there is for universal recreation—sleep. The essential principle to guide us in recreation is diversity of occupation, the substitution of one set of organic activities for another, and thereby affording rest to those structures which are exhausted, and need a respite to get repaired, to be nourished ready for doing their work. To men of business, indeed all who are engaged in pursuits

requiring more or less mental work, coupled with more or less confinement, "exercise" is, of course, the recreation needed; if neglected, nature will punish them sooner or later in the form of dyspepsia, liver, kidney, or other disease. But a word of caution here may not be out of place. It is a very common practice for business men to take a "good walk" after becoming exhausted with their day's toil at the desk or in the warehouse—a great error, as, being worn out, the system *generally* needs *rest*, and the walk simply undertaken as a matter of duty is not the recreation nature needs. The same error is made when business men, during their yearly respite, are all the time on the move, overdoing those muscles and organs, not generally exercised, beyond their capacity, and not wisely strengthening and repairing their systems by moderate and judicious exercise of their bodies and brains. Riding, rowing, cricket, swimming, gymnastics, are all preferable to walking, unless the latter be with a genial companion, and desisted from as soon as it ceases to be pleasurable.

It is wise to go out daily, let the weather be what it may. Care is needed as to going out in wet weather, easterly winds, &c.; but it is not encountering the weather that is dangerous, but encountering it when one's strength is not equal to the encounter. You may ask, "Where is the difference?" yet it is obvious. "You must not do this or that," would imply that man had not been made equal to what from necessity he must undergo. The caution is needed, because man, from his ignorance or neglect, has allowed "certain parts of his body" to become weak, and being weak, it is wiser to avoid an encounter he is not equal to. But we want the "effect traced to its cause;" so that the latter, instead of the former, has our attention. When in good health, there is nothing more glorious than having to struggle with the wind from your foot-hold of earth. When a young man, I used to delight in getting on to the end of Margate pier, or on the old jetty, when it was difficult to keep one's footing; the wind and waves hissing and roaring, the freshening breezes blowing upon the face, sent one home with face glowing, eyes flashing, and an appetite that could appreciate most heartily and thankfully anything set before one. There is a lot of happiness in this world if we would but try to find it in a rational manner. A man in good health can scarcely fail to be content, yet how many make their lives miserable, always grumbling, even when on pleasure bent; they carry their daily worries with them wherever they go. I am perfectly aware life is not all "sunshine," but has its shares of storms and clouds; yet, like the clouds in the heavens, they are but passing. Where people err is in talking, sighing, and acting as if the passing cloud was going to be upon them the

rest of their days; but however they may cling to it, and brood upon it, some ray of joy comes and dispels it. Whilst a trouble lasts, behave so under it, that when it has passed away, it shall leave you loving all things more, not less. Do not say it cannot be done; I know the majority will agree with Dr. Johnson, who supports the theory in "Rasselas," where the Philosopher no sooner has trouble and sorrow than his philosophy vanishes; hence he argues that philosophy does very well for the past and the future, but not for the present. But all true men, whether philosophical or theological, will, after the first few moments of the seemingly unendurable, conquer it, and act so that the trouble shall soften, ripen, shape them; so that when the sunshine has dispelled the passing cloud, it will have revealed to them powers of endurance within that they had not hitherto dreamt of. I do not want you to be callous; there is nothing unmanly; on the contrary, it is a sign you are human, giving evidence of the keenness of a heavy sorrow. But the reflective power should soon conquer the sentimental. As a man, you ought to know that life is subject to such ordeals, that the sharp things of life are necessary to the developing and strengthening of the human plant; that its frosts are needful as well as the sunshine—its great passion-winds as well as its gentle rains. As a skilful gardener knows how to treat the growing plant when beaten down by the storm, so our friends, if they understood human nature better, would give the human mind, when oppressed by a great grief, some work that in ways remote harmonized with its condition, and with tact draw the sufferer gently from his past. Yesterday is as much our past as the bygone century, and sheltering in it from an uncongenial present, we are lost to our morrow. So the mind with care will resume its old labour, and slide back into the old habits, the old groove, feeling that the era of blessedness has vanished, but is not lost; has been added, rather, to our life, gathered up into our being, dissolved into our consciousness, penetrating and influencing our activity. Sorrow, the heaviest human nature has to bear, is but a cloud on a sunny day; if there be no ground of regret, or shame, or self-reproach, new joys will cast out the griefs, as the sun dispels the clouds; the past has left us with memories, and in time the old joys will come trooping back to bless us. We have been referred too much to the "other world;" whereas the things around us are as full of marvel as those into which we would so gladly look. The only thing worth a man's care is the will of God, and men should be taught to learn and obey His will in this world. This world is ours; we are here, let us make the best of this world; by that means we may become able to make the best of the

next also. Make the best of this world,—ah! how? Why, it is easy enough; like a boy with his father, go hand in hand with Him, falling in with His design in the making of you, falling heart and soul into the carrying out of His wishes, which cannot be effected without you. We have present sorrows, vanished joys,—true; but we know that the glorious Creator is ever moving onwards towards divine completion, a never-ending end. If we only knew it, all our height comes of faith in those who are higher. If we would grow, we must be taught, we must work, we must be ready for change; but, above all, we must avoid "tormenting ourselves." Never mind being tricked and deceived; keep that freshness of mind which will not be controlled by experience. Let it be said of you, "You look younger at fifty than you did at twenty-five, because you have trusted every new promise, embraced every new hope, as if you had never been disappointed or taken in." Keep, in this way, the sentiment of youth about you, a sense of living. How I pity those poor unfortunates who are always suspecting evil, torturing themselves about "what may happen"! If it were not for the pity one feels for such people, their conduct would beget contempt; always making a fuss about nothing, unable to bear the troubles of life calmly, and unable, therefore, to act promptly or judiciously; the mind being full of imaginary troubles. It is a disease with some people; they are unable to "take their mind off" the thing that has upset their mental balance; they make "much ado about nothing."

In all parts of the civilized world, and in all classes of the community, the struggle for existence is now more keen than ever it has been during the history of our race. There is nothing to justify us in assuming the struggle for life will be less intense; on the contrary, we may fairly assume the pressure, now painful to contemplate, will become more intensified, and to the labour, the sweat of the brow, will be added that of anxiety, leaving its mark, the brand of sickening care. From the beginning to the end of the struggle, the battle rages more fiercely, the struggle is more and more difficult, not so much for the millions who toil, but for the middle class and the professional class, whose numbers have increased, keep increasing, out of proportion to the demand. This class have to live by their brains, so that it is essential for them to keep mind and body healthy, in condition to bear the strain. To be able to succeed in the battle, needs not only a more thorough understanding of our work, but the rational practice of recreation,—how best to use the breathing space allotted to us; how best, in the time granted daily and weekly from the pressure of life, to get during the brief respite that relief which will improve and strengthen brain and body. It is now absolutely necessary that our leisure time be devoted

to such appropriate employment as will serve to repair the organic machinery which has become impaired by our work; we must use our time in renovating our vital energies so as to restore the powers of brain and body that have become enfeebled by our previous work. To succeed now, needs daily, dogged, downright labour; the body is used as if it were a machine, the brain as if nervous matter could be supplied as readily as coal to a furnace; therefore, recreation must cease to be a pastime, and the pleasure of it must consist in the knowledge that we are wisely using this respite as an act of duty undertaken for the sake of the subsequent power which it generates within us, and the subsequent profit from an increased power of doing which it insures to us. All recreation, all rest from toil, must be regarded as a time given to us in which to render the exhausted energies most fitted to resume their work again. The stomach needs change of diet, the brain needs change of thought, the body change of employment. There is physiological necessity for frequent change of organic activity: the value of recreation should consist in enabling us to secure this variety of occupation, this change in the parts of brain and body, and to insure a general activity of the whole, and relieve the mischief caused by undue action of certain parts.

How little we think of "rational recreation"—its value, its necessity! If thought of more, it would be begun in school life, when the organism, being in a state of active growth, requires the purifying and strengthening influence of muscular exercise to be in frequent operation; and if attention was given at this time to the development of the organism during the years of its growth, it would receive a desire for, and carry through life a resolve to have it. Take schools generally: the whole mechanism of their discipline seems to be devised with the view of stemming the healthful flow of natural joyousness by the barriers of tedious monotony. A school girl is shut up in a very prison-house of decorum; every healthful amusement is denied her as "unladylike;" she is imperatively taught to curb her youthful spirits; and it needs a very healthy organism to struggle against the mischiefs of this mistaken discipline. Schools for boys and girls should be regarded as places of recreation no less than as places of education—as places of bodily, no less than as places of mental, culture. We should then no longer have the present system of punishment; shutting up a child already weary in an empty school-room, under a depressing sense of disgrace, is a cruel species of torture, is doing to the child's system a wrong, an injury that nothing can justify; denying the child the only time allowed for recreation, and making him resume work with energies doubly exhausted when school again meets, is a heart-sickening, health-breaking system—a disgrace

to humanity. At all schools there is too much brain-work; the young are sick of it. Instead of having the desire for more knowledge implanted in their minds, parents must think more of their children's health, and select those schools which provide for the best recreation of its pupils. There should be a library in every school, so that the habit is formed of reading for mental recreation, and the pupils would receive that culture which only general reading can impart; but, above all, the aim should be not to work body or brain beyond its strength. "Competitive examinations," even "prizes," are an evil, tempting the willing ones to work beyond their strength, and exercising very little influence on the lymphatic class.

Health implies the capacity for work, the capacity for happiness. It is, therefore, our duty to do all that is conducive to health, to maintain it at the highest point of its natural efficiency, as, in doing this, we put ourselves in condition for work, the condition for benefiting the community to whatever extent our powers may be capable. And, similarly, by promoting the health of others, we are, in proportion to our success, securing to the community a certain amount of additional capacity for work on the part of its constituent members, as well as increasing the individual capacity for happiness on the part of all the members whom any efforts may reach. It is clear, therefore, that we can have no duty to perform of a more grave and important kind than this,—thoughtfully to study the conditions of health, earnestly to teach these conditions to others, and strenuously make their observance a law to ourselves. Suitable recreation is needed by all classes of the community, is an imperative necessity to every individual who desires to possess a sound working mind in a sound working body. I am no advocate for useless, frivolous pleasures; but by recreation I mean, for workers to utilize the spare time at their disposal, and take that recreation which, with the least expenditure of time, renders the exhausted energies most fitted to resume their work. For this, change is needed: the mind needs change of scene. If a walk into the clear sunshine and bracing air enables us to put aside worry for a time, how much greater relief it must be to the mind to be taken from the shop or desk to the seaside, where an entirely new hemisphere of life and thought is visible to us! By this means we secure not only health, but happiness, feel that life is worth living, enjoy life, and are able to do more work in less time by keeping the vital energies equal to the performance of their duties; and the greatest blessing that could happen to mankind would be for all to feel a pleasure in doing their duty, faithfully discharging their daily work, determined resolutely to "work while it is day," and not cloud the daylight of our life by our folly, or shorten it by our sin; so that at

last, when all to us is dark with the darkness of an unknown night, we may have the consolation of the good and faithful steward, and realize that the seed entrusted to us has been wisely sown, and must yield a plenteous harvest of good things for those that follow us to reap; a state of mind infinitely preferable to that of those who see nothing in this life worth winning,—nothing that it would make them miserable to miss, and whose labour seems to them but the dull sound of a treadmill—a wretched life. Our own inner lives and aspirations and loves must be the light of our world for each of us; and if the light that is in us be darkness, O how great is that darkness! Men must be roused up, and the old sense of life's worth and solemnity must be infused into them, to stir them into eagerness, into enthusiasm. We want men to be true men; and this would be best achieved by teaching them how divine is the natural. How can men and women know what life *is?* They have got into the way of despising it, of excusing their own follies by asserting that life was not asked for by them. This habit of mind arises from their rejecting the only things in life—health, honour, aspirations, love—that are of value, and being content with disease, subtlety, social distinction, worldly rank, wealth, and self-indulgence; then they cry out, "All is vanity and vexation of spirit!" and they go through the allotted threescore years and ten, outwardly cynical and contemptuous, but inwardly feeling a want within them not satisfied, and half regretful that it be so, yet lacking the earnestness to get at the cause and remove it. They are in the world, of the world worldly, yet they never dream of what life might be, should be, would be, if the true value of life was not hidden from them. The mistake has been in imagining the world to be full of "mystery." Admitted the original first cause to be an insolvable problem, all else is ascertainable and intelligible, which tells us plainly of the folly of spending an aimless life—a life of indulgence, a life which has turned our nature to gall, a life that makes us despise ourselves, when we do think of what we are, and what we might have been. This I assert fearlessly, that "life has a perfect happiness for all of us, if we only long for it, no matter whether or no we win it." Life is made up, not of great deeds, duties, and sacrifices, but in little acts of daily duty. Do nothing to-day that you may repent of to-morrow. Act at all times so that you may not find that

> "Remorse
> Hath struck her knotted roots into thy heart,
> To suck thy hopes into her mighty stem."

EDUCATION.

"If you suffer your people *to be ill educated* . . . you first make thieves, and then punish them."—MORE.

"'*Tis education forms the common mind;*
Just as the twig is bent, the tree's inclined."

POPE.

THERE can be but one opinion as regards the value of education; the ignorant man is not a free man; education gives him higher interests, and places him in truer relationship to the world around him. It gives to every man the chance of showing what is in him, and enables him to make a better use of what faculties he has. Still, education has its limits, and can only do for the mind what the gardener does for flowers: he cannot make them, but he may add beauty to their colours by careful culture, and luxuriance to their growth by skilful pruning. Education, in fact, develops; it does not, cannot, create. We are what we are by the force of nature, position we are born in, surrounding circumstances, and not through education. Every one must know many so-called educated men who are fools. Our past history proves incontestably that immense numbers in every year have struggled from obscurity to high position, in every department of life, without the help of education, but by sheer force of their own natural power and earnestness. Education refines, modifies, improves natural faculties, and renders us more or less useful, or more or less harmful, to society—that is all. We are behind many other nations at present as regards education, and it will be many years before our people, collectively, can be as well educated as the Germans, our children being sent to school later and taken away earlier, the necessities of their position rendering it imperative that their help, however small, should be made available as early as possible.

We are now threatened with "higher education;" yet the education rate is already sixpence in the £. As to the excuse that these higher schools will be self-supporting, it will not admit of a moment's consideration, as the very promoters of this higher education scheme say "that no child is to be excluded simply because its parents cannot or will not pay the fee demanded." I, for

one, object to be taxed to provide a sort of university education for all who choose to apply for it.

Common sense suggests that, instead of this "higher education" for the masses, we should introduce in every parish technical schools or classes for the teaching of useful trades. We want every boy and girl taught how to earn their living, so that they may be independent and self-helpful. "Higher education" is a craze of a certain set. But what does it do for the sons of the middle class? Why, its effect is to make "useless drones" of the children of the successful members of the middle class. "Higher" education makes them view work with disgust, and look upon workers with contempt. It is very well for the few who will never have to work, or for the sons of the "upper ten," or those in a position to pay the expense of training their children for the uncertainties of a professional life; but to give it to the masses is not only foolish, but cruel. We have not enough vacancies, as it is, for our "educated" bread-winners; the excess of applicants for clerkships is most painful. We want the young trained for "skilled" labour, so that they could be sure of employment at home or in our colonies.

The School Board has utterly mistaken its mission, which was to provide an elementary education for the neglected children of the poorest class; instead of which, the object of the Board has been to get into its own hands the education of *all* children, tempting from the private schools the children of the middle class by giving them an elaborate education almost free of expense; the result of which has been to fill the Board schools in many parts of London with the children of the middle class, to the exclusion of the very children for whom the Board schools were erected. "History repeats itself," it is said, and the Board schools are only following the example of the old foundation schools—the "Merchant Taylors' Schools," for example, founded for the benefit of the children of tailors, but into which it is most difficult to get, and which is filled by a class that would shun as a being of a lower order any tailor's son that might be found there. Read the speeches of members of the School Board when they attend to open a new school, they boast of the "magnificence of their buildings," and the "excellence of the education given in them." At Chelsea, about twelve months back, one of the local managers said: "He was proud to say, the children in that school were not the gutter children, but those of respectable, well-to-do-tradesmen, who were glad to avail themselves of the superior education provided by the Board for a trifling fee." Well, I say these children have no business there, and it is time the ratepayers, generally, took a more active interest in the movements of the School Board, and protested against their

being allowed to carry out any further this programme of reckless extravagance. How can "economy" prevail if managers ask for "higher schools," "from which no child is to be debarred from poverty"? According to Mr. Forster's original plan, the Board School system was always to act as an auxiliary to the voluntary; but the School Board are trying all they can to effect a change of places; and unless the ratepayers are more vigilant and earnest, there cannot be any question that the older and cheaper system will be gradually uprooted, with the inevitable consequence of quite doubling the already exorbitant School Board Rate. We shall have, in fact, a system of State education—an uniform system of compulsion, as in Prussia, which absolutely compels the attendance of every child at school for a certain number of years, or until he has acquired a certain standard of attainment. This should be the last resource; it means giving up our "liberty," our dearly bought, but too lightly prized, "freedom;" it would be another chain in the link that is binding us to the Government. Bit by bit, we are yielding up the "freedom" to act and think for ourselves that our forefathers so dearly bought for us. Government has no right to interfere, except to take steps to give an elementary education to those poor waifs of humanity that are not likely to be educated by their parents, from neglect or poverty. As it is, these poor wretches are shut out, as respectable parents would object to their children associating with such ragamuffins, and the ratepayers have to pay for the education of those who ought to go to private academies. The "higher education" scheme is justified on the plea that it would be a grievous hardship on the very poor if any of their children who had shown marked ability were to be debarred by poverty from going to the higher schools. Admit this argument, and "every one" who has shown a marked ability for the doing of anything has a right to "State help." It is the thin edge of Communism; it is destructive of "self-help,"—subversive of the good old rule, "By the force of his own merit, makes his way." I am surprised the middle class have not more self-respect,—starting their children in the world with the stigma of a School Board education; for, say what you will, an education that is supported by Government aid, and paid for by the ratepayers, is an education of your children paid for by other people's money, which all persons with proper self-respect should repudiate with scorn. The policy is to appeal to the enlightened self-interest of the parents of all classes, and rouse their self-respect, so as to make them willing to sacrifice something for their children's education. If a parent will not or cannot, then the State ought to step in, but in such cases only to supply the mere rudiments of education. In the

nineteenth century, it reflects disgrace on a country for any of its members to be unable to read or white; the State should do this, and no more. It has undertaken to do too much; and it is not wise to raise the mass too suddenly above their position, and it is unjust to tax the more provident and self-reliant members of the working class to pay for the "higher education" of the improvident.

I entirely agree with Dean Close, who has worked as an educator for and with the lower classes all his life, that the policy is to go softly to work, and not at so great a pace; the world will wait. You need not try and teach the children everything—you cannot; the majority can only take in words, and will make a mess of them too. Do not be so anxious all at once to burden all their tender minds; be satisfied with teaching them what will be useful to them. Do not unfit them for their station; reduce your standard, let the system down for the present; then you will secure a moderate success, instead of risking everything by a flight too high for the class, its material, and its opportunities. The education of the community will take time. You have seen an ill-cultivated field where the corn flourishes on the high ridges, but the furrows are sour, water-logged, and barren: the good husbandman seeks, not rashly, but by *degrees*, to bring the whole to an equal tilth, and later he reaps the reward of an abundant and equal harvest.

Let instruction once begin, the necessary education that each will require will soon follow. The Government have erred in doing too much of the work, sapping thereby the people's individuality and self-dependence, instead of supplying a stimulus and incentive for the work being done. Mr. Göschen recognized this truth when, after distributing the prizes at the City of London College in 1875, he praised the College, and, in conjunction therewith, the South Kensington Museum, for having raised the tone of education generally throughout the country, and especially for their help to those young men who—much be it to their credit—devote their evenings, after a hard day's work, to attend classes for book-keeping, French, German, &c. He also spoke in favour of general education and mental culture, and advised them not only to devote their time to such classes as were likely to have an immediate money value, but to pursue other studies calculated to raise the tone of their minds, to carry them beyond the routine of their daily lives, and raise them above the level of their work into higher spheres. Supply the first rudiments; the higher education will follow to those who require it as needed. The Creator did not make the world in a day; it has slowly developed, and the knowledge needed by each generation to enable it to meet its wants and supply its needs has been gradually but always acquired,

and there can be no doubt one age is about as happy as another; if we enjoy more with increased knowledge, we suffer also more intensely; there is no pleasure without pain.

Even if time is limited, by intelligently and earnestly utilizing it, all have leisure enough for studies that would brighten and adorn their lives, and give them enjoyment and pleasure. Cultivate a hobby; choose a subject, pursue it, and learn it thoroughly; but do not extend your studies into more branches than you can fairly master; take up one, follow it to the end, and make it and the author your friend by constant study; try and extend your mental horizon by raising the level of your sight, and be men as well as tradesmen. Strive, above all things, to keep your name bright and unsullied, and to depend for your success in life on your own industry and application, rather than the flights of genius on the one hand, or successful speculation on the other; books and lectures proving, by examples from the past and present, that it is the steady, persevering, prudent worker who is generally the winner in the affairs of life. How many young men fail to succeed because this lesson has not been properly applied in improving their minds! They lack the industry and perseverance to improve and enlarge their store of knowledge, and the faith to persistently plod on, leaving the result to follow; they lack the principle of duty in its grander requirements and higher manifestations.

A proper science of education would remedy much of this. We should hold him a fool who trusted his farm, his garden, or his racing stud to persons ignorant of the first principles of their management; yet we unhesitatingly trust our children, during the most critical years of their life, first to servants, and then to tutors and governors, who, whatever else they may know, are absolutely ignorant of the nature of the pupils they undertake to educate, and of the complex conditions of every kind which must influence them for good or evil. The whole process is of the "happy-go-lucky" kind, governed by custom, fashion, class habits, and prejudices—by anything, in fact, but a well-defined purpose, and a scientific method of attaining it. It is time that this confusion should be replaced by a scientific conception of the process, which should result in the most valuable of all products—human beings developed to the full extent of their natural capacity, trained to understand their work in the world, and to do it. Surely it is time, now competition with other countries is getting so keen, and their approach to us so close, that we should inquire by what method this result could be attained with that degree of certainty we feel, when a vessel goes to sea well built, well equipped, and well commanded, that she will reach her destined port; and as in every storm

only a few succumb, it is logical to infer they have been shipwrecked owing to their deficiency of the qualities necessary, which those who combated the storm possessed.

Mrs. Grey said, at the British Association of Science, in 1874: "What is wanted is that our teachers, like our practical navigators, should be furnished with the principles of a science they have not had to discover for themselves, and with charts to guide their general course, leaving to their individual acumen the adaptations and modifications required by special circumstances. We have such knowledge to guide us in improving our breed of cattle and our crops; must we remain without it in the infinitely more important business of improving our human crops—of getting out of our human soil all that it can be made to yield for social and individual good? Must every tyro still be allowed to try experiments on the most delicate and precious of materials, the human body and mind? on the most powerful of all forces, human passions and the human will?—experiments in which success or failure means virtue or vice, happiness or misery, lives worthy or unworthy, sowing with every action a seed of good or ill, to reproduce itself in an endless series beyond all human ken."

Man has studied the animal world, and adapted himself to its organization; himself alone he has remained ignorant of, for all practical purposes. By physiology we could all be taught how to train the body, not only to health and strength, but to grace and beauty; by phrenology, how to train the intellectual and moral nature, how to form habits, which is the master-power of education. We must master the wide field of general facts and forces; study the combinations of these forces, and the resultant influence on the formation of character, from observation of human life in the world around us, and from the records of the history of human societies, of religion, art, literature, and science; learn how to reach the springs of human action, and especially the idealistic or spiritual element, which is the most powerful of all, and from these deduce the right order of education, the right method of teaching, and the right subjects to be taught, relatively to the age and mental development of the pupil. Let our teachers, like our practical navigators, direct their investigations to facts, leave the misty and sterile regions of speculative dreams, and keep to real life. Let them first learn, and then teach, the important lesson that, owing to the rapid advance yearly of man's general knowledge, and the inexorable advance necessarily of the general understanding, life is a "continuous adjustment of internal to external relations." They must impress on all the value of perception and observation, and the importance of *observing* and *thinking* for them-

selves, and oppose strenuously blind belief in authorities of any kind; raise them from this mental slavery and bondage, which has rendered education to the mass so far comparatively worthless, and so, by and through education, make them in reality free men. Nature has endowed us with reason, not that we should tamely submit it to the dominion of authority, but to use it, and by its use to become better and wiser men. Teach all to rely on their own labour and research. Observation and experience are our safest guides, and the time has come for a determined struggle by all enlightened men against any and every kind of intolerance, and to employ the many and various modes of leverage now in our possession to raise our lives to a higher level.

The time has come for us to turn our present large and varied knowledge of the natural laws to practical account, and demonstrate that every wrong act, deviation, or infraction of nature's laws carries its own punishment in this world. Sermons based on the constitution of man, and its wonderful construction and adaptability to varied climates and surrounding nature, and tracing the vicissitudes of life that every week furnishes to infraction of commercial and moral laws, would carry conviction, cause reflection, and make the Sunday what it should be—the day weekly set apart for teaching us all how to lead a holier, a purer, and better life during the ensuing week.

We ought to utilize more the knowledge we possess. Man is superior to the lower animals mainly because he has the experience of those who preceded him for his guidance, and does not require to go over again what his predecessors in the race have undergone; yet in every school throughout the kingdom half the time of the young is taken up in filling their minds with ancient knowledge and opinions not in accord with our present knowledge of the world and its laws. What we want to be taught is, how the world is governed now, and how we can be made better in every way whilst we are in it; that the world is regulated by fixed, invariable laws; that each law acts independently of another. That is to say, as a vessel floats because it displaces a quantity of water equal to its whole weight, and, sent to sea in good condition, well manned and commanded, and not overloaded, would never sink, no matter whether engaged in good or bad purpose; so a man, originally endowed with a good constitution, will be healthy and live long, if he observe the laws of health, however dishonest he may be. Many good men seem to suffer in this world, many bad men seem to prosper at present. This is an enigma to the mass, but all according to law; and that omnipotence and justice are synonymous, these laws, properly explained, would prove. Unor-

ganized matter, vegetation, and animal life may each have special conditions modifying phenomena, but they are all equally subject to the same general laws. Man is as much under the influence of gravitation as a stone is. The special operation of physical law is less a modification of law than that law acting under different conditions. The law of gravitation suffers no alteration, whether it cause the fall of an apple or shape the orbit of a planet. The reproduction of the plant and of the animal is regulated by the same fundamental principle acting through different organisms. The harmonious action of physical law, and its adaptability to an infinite variety of forms, constitute the perfection of that code which produces the order of nature. The mere superiority of man over lower forms of organic and inorganic matter does not lift him above physical laws, and the analogy of every grade in nature forbids the presumption that higher forms may exist which are exempt from their control. Life favours no presumption for the suspension of law, but, on the contrary, whilst acting in nature, universally exhibits the prevalence and invariability of law.

The laws of life may be subtle, but they are only an integral portion of the great order of nature working harmoniously with the laws of matter, and not one whit more independent of them than any one natural law is of another.

"The survival only of the fittest is the stern decree of nature." The invariable action of law of itself eliminates the unfit: progress is necessary to existence, extinction is the doom of retrogression. Only in obedience to law is there life or safety; knowledge, therefore, of the law is imperatively demanded by nature. Ignorance of it is a capital offence. If we ignore the law of gravitation, we are dashed to pieces at the foot of a precipice, or are crushed by a falling rock; if we neglect sanitary laws, we are destroyed by a pestilence; if we disregard chemical laws, we are poisoned by a vapour. There is not, in reality, a gradation of breach of law that is not followed by an equivalent gradation of punishment. Civilization is nothing but the knowledge and observance of natural laws. The savage must learn them, or be extinguished; the cultivated must observe them, or die. The balance of moral and physical development cannot be deranged with impunity. In the spiritual as well as the physical sense, only the fittest eventually can survive in the struggle for existence.

There is, in fact, an absolute upward impulse to the whole human race supplied by the invariable operation of the laws of nature acting upon the common instinct of self-preservation. The highest human conception of infinite wisdom and power is derived from the universality and invariability of law. It is the knowledge of these laws, gained by experience in the past, that makes human life practicable;

such knowledge would be useless unless we believed in cause and effect; we can now act in the present, and plan for the future, with the belief that what has been will be; still our knowledge of all things is relative, and there are sharp and narrow limits to human thought.

Science teaches us the highest faith, the having trust and confidence, from what we know of God's works, in conclusions based thereon, upon other matters we are at present ignorant of. The law theory of philosophers elevates our conception of the Deity, and it is impossible, nay, unwise, for us still to try and conceive the Supreme Being acting otherwise than we actually see in nature; and if we recognize in the universe the operations of His infinite wisdom and power, it would benefit mankind much more, and cause a more *real* living worship of the Creator, by demonstrating that it is by the inimitable order and regularity of all phenomena, and in the eternal prevalence of law, His highest manifestations of power, wisdom, and justness are displayed. This law and order conception courts investigation, alike of observation, experience, and the highest exercise of the human mind. There is no surer way of improving mankind than by teaching the wonderful working of the laws which regulate the action of the universe; the discoveries of the geologist, naturalist, physiologist, chemist, &c., if properly explained, would make all men bend the knee in submission and worship to their wonderful Creator.

When at school, and after leaving there, reading is valueless unless we pause and reflect on what we read. People should be taught to criticise and form a judgment as they read. Our teachers are too often without any knowledge of man's nature, or of boys', or of aught, in fact, save their lexicons, and so teach mechanically; in every school, however, there are a few whose nature breaks through these trammels, and who teach themselves in their own way. Carlyle says: "What a farce it is cramming dead languages (or trying to do so) into the majority, quite irrespective of what their duties in life will be! They call it developing the mind; as if any quantity of such inanimate mechanical teaching could foster the growth of anything, much more of mind, which grows, not like a vegetable, but like a spirit, by mysterious contact of spirit—thought kindling itself at the fire of living thought. How shall he give kindling in whose own inward man there is no live coal, but all is burnt out to a dead grammatical cinder? Alas! so it is everywhere; so will it ever be till the hodman is discharged or reduced to hod-bearing, and an architect is hired, and on all hands fitly encouraged—till communities and individuals discover, not without surprise, that fashioning

the souls of a generation by knowledge can rank on a level with blowing their bodies to pieces by gunpowder; that, with generals and field-marshals for killing, there should be world-honoured dignitaries and, were it possible, true God-ordained priests for teaching."

The teacher's vocation is one of the very highest extant, truly a noble one, and only rare natures should have to do with it. Every teacher should be conversant with physiology and phrenology. The first should be a *sine quâ non;* for want of it boys are tasked beyond their bodily strength, sicken, and, unless parents see the mischief and stop it, premature death is inevitable; whilst, for want of knowledge of the latter, the same lessons are given to, and the same proficiency expected from all, and all are taught by the same method, although the best brains fashioned by the master-hand of Nature will only receive the seed in a certain manner, and cannot take in knowledge by mere routine.

Mental arithmetic is most important: every boy should have the key given him by which he can do most extensions, get at discount or interest, in his head; instead of the roundabout way boys are taught at school. Writing, again, is purely mechanical, depending on temperament: a nervous, excitable boy cannot write well, yet how many reproofs are given daily, and time wasted in trying to make some boys write well! The living fountain is the one to draw from, and add ideas and develop capabilities. It is hard for the young to be turned out in the world with no training how they are to act, very insufficiently informed as to what they are to believe, and with no reasons for their beliefs. Outside, a polished hat; inside, vacancy, or the froth of vocables and attorney logic. At a small cost, men are educated to make leather into shoes; but at a great cost, what are the majority of our youth educated to make? Fortunately, there are books, and many have brains; there is heaven and earth, and we have eyes to see. "It is not because of his toils that I lament for the poor," says Carlyle; "we must all toil, or steal (howsoever we name our stealing), which is worse: no faithful workman finds his daily task a pastime; but what I do mourn over is that the lamp of his soul should go out—that no ray of heavenly or even of earthly knowledge should visit him. But only in the haggard darkness, like two spectres, fear and indignation bear him company. Alas! while the body stands so broad and brawny, must the soul lie blinded, dwarfed, stupefied, almost annihilated? That there should one man die ignorant who had a capacity for knowledge, this I call a tragedy, were it to happen twenty times in the minute, as by some computations it does. The miserable fraction of science which our united man-

kind, in a wide universe of nescience, has acquired, why is not this with all due diligence imparted to *all?*" We want societies for training young people to meet the encounters of public, commercial, and professional life; there should be every scope for developing the spirit and enterprise of those who wish to get on. This forms the only real, sound basis for the nation's prosperity, and every encouragement and aid should be given, not to smother—we do not want paternal government—but to foster self-reliance and self-assertion. Every effort should be made to work into the public mind the conception of education, as being the external direction given to the growth and development of the whole human being, physical, moral, and intellectual, from infancy to maturity, and the training of all his faculties so as to get the best work out of them, and enable him to make the best of himself under the circumstances of his life. If we could but establish a standard—an ideal of what that best is—and get it recognized viz., that the paramount objects of education are training of the reason to form right judgments, of the will to obey the law of duty, of the imagination to conceive, of the heart to love and worship, and so raise before the youthful mind pure and noble ideas, finding their sum and perfection in God, as manifested by everything in the created world around us; and if we could but get it to be recognized that a man or woman is well or ill educated just as he or she approaches or departs from such a standard,—then it would follow as an inevitable consequence, as equally important, equally necessary to every human being, male or female, poor or rich, peasant or prince. It would also follow that just in proportion as men or women are well or ill educated, in that sense they will do their work in life well or ill—whether that work be that of the housemaid or that of the queen, that of the manual labourer or the statesman; and that just in proportion as a nation is well or ill educated, to that extent will that nation prosper or decay. We must abolish the teaching by rule and learning by rote, especially all teachers of the "Doctor Blimber" class, so well portrayed by Dickens, as only undertaking the charge of ten young gentlemen, but having always ready a supply of learning for a hundred, which it was the business and delight of his life to gorge the unhappy ten with. Such schools are great hothouses, in which there is a forcing apparatus incessantly at work. All the boys bear before their time, the doctor is comforted by the applause of the young gentlemen's nearest relations, and urged on by their blind vanity and ill-considered haste. They like to say, or hear it said, their boys are clever, and the parents are thus bent on the boys being forced or crammed. In short, however high and forced the temperature at which the doctor keeps his hothouse, the owners

of the plants are always ready to lend a helping hand at the bellows and to stir the fire. With our present knowledge, this should be at once remedied, and broader, wiser, more healthy views of education taken. Geography and history would be read and studied with avidity, like romances, by the young and old, were our system altered, so that the one be something more than a pile of statistics, and the other a string of dates. Euclid is taught as if human beings were parrots, to be repeated by mere strength of memory; so that to the majority it is a horrid and unintelligible puzzle.

It is maintained by Helvetius and his set, that an infant of genius is quite the same as any other infant, only that certain surprisingly favourable influences accompany him through life, especially through childhood, and expand him, while others lie close-folded and continue dunces. The inner man of one is fostered into generous development; the other is crushed down, perhaps by vigour of animal digestion, evaporates, or remains stagnant. We might as well argue that an acorn could, by favourable or unfavourable influences of soil and climate, be nursed into a cabbage, or the cabbage seed into an oak; nevertheless, we must acknowledge the all but omnipotence of early culture and nurture; hereby we have either a dwarf bush or a high-towering, wide, shadowy tree. So with human beings, if we would but study man's nature, and train his brain as we develop a prize beast or flower, developing it to the utmost of its capacity, strengthening the weak parts, and teaching one and all what they have to guard against and control, we should have men worthy of human nature. We should study mankind as well as books.

It is the duty of all men to note down with accuracy the circumstances of their own training and education, and try to trace how it helped, hindered, or modified the development of their capabilities. It is very important to instil into the minds of all, more especially the young, that there can be no effect without a cause, and that the same causes and conditions, under similar circumstances, will always produce the same effects. With this principle guiding them, searching from the effect back to its cause, each one would see how it is he is what he is, and why he differs from others trained in the same school and by the same system. If it were possible to ascertain what the inner life of the parents was about the time of birth, we should get the key to the marked peculiarities of the individual, and a reason why members of the same family often differ so materially from each other, and owing to this innate difference in their mental organisms, acted upon by surrounding circumstances, they gradually develop into quite different beings. This kind of teaching

would make all think and feel that there is a God under whose beneficent government we know that all that is consistent with wise and omnipotent law progresses, and is brought to perfection, and all that is opposed to Divine order is mercifully frustrated and brought to naught.

Next to health, our success in life depends on the clearness of our perceptions and the correctness of our observations, and all require to be taught; that it is not what he has, but how he has got it, and what he does with what he has, the world will estimate him by. To each is given a certain inward talent, a certain outward environment of fortune; to each, by wisest combination of these two, a certain maximum of capability; the problem for each to solve is to find, by study of himself and of the ground he stands upon, what his combined inward and outward capability specially is; always remembering a new man is in a new time under new conditions, and his course can be the fac-simile of no previous one, but is by its own nature original. What we have to do is to make the outward capability fit the inward to the utmost of our power. It too often happens, though talented wonderfully enough, we are poor, unfriended, dyspeptical, bashful—nay, what is worse than all, we are foolish; so life has been to most of us, for want of proper training and right explanation, a whole imbroglio of incapability; we go groping about for the right thing, and often clutch the wrong, and so several years of our life are spent, till the purblind youth, by practice and often dearly-bought experience, becomes a seeing man; nay, how many, from want of the right education—aye, owing to the wrong views engendered by the teaching they get—spend their whole term, and in ever new expectations, ever new disappointments, shift from enterprise to enterprise, and from side to side, till at length, as exasperated striplings of three-score years and ten, they shift into their last enterprise—that of getting buried! With a helping hand here, and different teaching and explanations there, how different many lives might be!

"Evil, rightly understood,
Is but shadow of the good;
Or the débris, let us say,
Of the potter with his clay;
Or the chippings of the rock,
Round about the sculptor's block.
Mind, or the eternal Thought,
Seeks ideals in the unwrought;
Forms of beauty without number
Thus steal from chaotic lumber."

CHARLOTTE SAINSBURY.

TECHNICAL EDUCATION.

"Learn
That not to know at large of things remote
From use, obscure, and subtle; but to know
That which before us lies in daily life,
Is the prime wisdom." MILTON.

"Whatsoever thou takest in hand, remember the end, and thou shalt never do amiss."

IN the first Napoleon's time, splendid success was secured by, and depended mostly upon, exceptional skill in the general that commanded; but to succeed now, it is requisite to have "efficient" men in the field, the factory, the warehouse—men trained so as to perform their allotted task in the most economical manner, by not only producing more, but producing it better, without any of the drawbacks and losses in the field, warehouse, and factory, when men do their task without the necessary technical knowledge to enable them to do it quickly and perfectly. "Technical education" is the want of the age we live in—alike in employer and employed, the soldier and the general. Germany has grasped this principle, and to it her army is indebted for its successes. The Germans have more scientific curiosity, take more interest in "truth" for truth's own sake, and reap the reward in a serious and painstaking habit of mind, open to receive information, and resolved to see "things as they are," to know all the truth about the universe which can be known. Instead of developing the intellect, preparing it to receive all the knowledge it can obtain, training the people to think, we teach them to believe tradition, and send them forth to begin the world with their brains clogged up with a lot of weeds, instead of good seed, ready for healthy development in the work of life.

To hold our own in the struggle of life, it is imperative that the basis of the education of the youth of this country be technical, instead of classical. They must be trained for business pursuits; they must have an idea of the life they are to lead; they must be better prepared for gaining their daily bread in the hard struggle, the increasingly harder struggle, of life; they must be trained to do their work well; they must be wise enough to know the false from the true economy—that

it is a great error of judgment to sacrifice quality to cheapness, to "spoil the ship for the ha'p'orth of tar," as we have been doing of late, and thereby bringing the goods of the nation into disrepute. We must elevate, not degrade, our labour. We want trades' unions to promote greater skill, and to do honour to the most skilful; not to reduce the better men to the level of the worst, and to try by combination to artificially enhance the price of labour. We must have a division of labour, that leaves the man a *thinking* being, not a mere automatic machine; we must have a something that will take the place of our "apprenticeship" system. At present our youth are left to pick up their knowledge as best they may; there is nothing to encourage them to "excellence" in their work; and our social views of life are based upon that cursed thing, "false gentility;" so that, instead of the young being trained to follow some mechanical or useful employment, they wish to be clerks, or to sell tape or ribands. Tempt the young out of this senseless groove by cultivating a taste for "handicraft skill" in all the schools; rouse into activity that latent power of inventive skill by which England was made famous; honour labour in every way; stimulate our youth to try and restore to England in the markets of the world that supremacy we once enjoyed, but have lost by letting others go beyond us, by our indifference to the importance of doing our work well, by our ignoring the fact that, in commerce, the moral laws cannot be infringed with impunity, but that, as with the physical laws, any infringement thereof carries with it a corresponding retribution.

The superiority of the training workmen receive in foreign countries is such that we are being beaten on all sides. It seems incredible that, as stated by Mr. Anderson in his speech when introducing "technical education" to the House of Commons, on April 1, 1881, "in one of the largest ship-building establishments on the Clyde, he saw in one of the departments a large number of American-made machines, which he was told they could buy *one-fourth* cheaper than in this country." Think over what this means, and if we are losing our commerce, seriously ask yourselves if the fault is not your own. An American machine-maker comes to this country, buys our steel and iron, carries them across the water, pays 33 per cent. for taking them into America, pays higher wages there than is paid in England, brings them back into this country, and yet undersells by 25 per cent. our manufacture. Analyze honestly any other commodity we are being beaten in, and you will find the same result staring you in the face. The fault is our own; and if we do not move ourselves, and remove the cause of our decaying trade, we deserve to be beaten, and to receive contempt where hitherto we

have had honour. The curse of this country is its complicated system of distribution; there are too many of the distributing class —too many profits that swell up the price of an article between the time it leaves the producer and gets to the consumer. Want of pride in the excellence of the work by the men, and enhancing the price by the large profits necessary to maintain the style of living by the middle class, is the cause of England's decline. We must revert to the "laws of economy" in production and distribution; there is no other means of holding our own in the industrial struggle for supremacy. A makes an article; generally he buys the material on credit, and borrows the capital of a friend or banker to carry on his business; he sells on credit to B; B sells the article on credit to C; C sells on credit to D. And as regards the "foreign trade," where we are being beaten, the "agent" steps in for his share, and as shipper, he buys of the retailer; and not satisfied with the commission they get from their clients, too many of them want a commission from the seller, and, as with too many buyers, confine their operations to such houses as will give it. The manufacturer, merchant, and farmer class are not, as they used to be, practical men, "captains of the ship," but simply the capitalists, and therefore needing a better paid class of officers to manage than used to be the case. Manufacturers, merchants, farmers, one and all, spend on an average £500 a-year now, where they spent £100 a quarter of a century ago; and this extra remuneration or profit has to be added to the price of the article, as it must be paid by the consumer. And herein lies one of the reasons why England is not able to hold her own in the world's competition as heretofore. A steel-barrelled gun for which we ask £12, can be bought at Liége for £4. In Belgium labour is cheap; true, but in America labour is dear; and, as Mr. Anderson stated in his speech, if you analyze the return of exports and imports for the year, you will find that it is in these articles, in which "technical education" is required, that exports have diminished and imports increased. The years are 1872 and 1879. The following are the rates per cent. of decrease in value of exports in the latter year as compared with the former: In cotton goods, 18 per cent.; woollen goods, 51 per cent.; silk, 23 per cent.; glass, 30 per cent.; iron, excluding the rough unfinished metal, 16 per cent. The decrease in the aggregate of our exports was 28 per cent. On the other hand, taking the imports, there was an increase, as between the two years, in cotton goods, of 54 per cent.; woollen goods, 40 per cent.; silk, 36 per cent.; glass, 30 per cent.; iron, 49 per cent. The increase of the aggregate imports was 39 per cent. Thus it appeared that not only foreigners, but our own people, were becoming dissatisfied with our own manufactures.

The last few years we have heard of the bad condition of agriculturists. Why is this? If land be not remunerative, it must be because too much is paid for the land, or too little got out of it. The rents asked in certain localities, as the leading thoroughfares in the City of London and the West-end, are ruinously high; it is simply a life of anxiety and drudgery to pay the landlord and tax-gatherer. But, speaking generally, I do not think the rent paid for land by the farmers is more than sufficient to pay interest on the capital necessary to buy the land; the fault, therefore, to be remedied is the insufficient value extracted from the land by those who have the management thereof. The distributing class are, or have been, able to charge a larger profit to meet their increased personal expenditure; but the farmer's prices are ruled, not by credit, local connection, the caprice of fashion, but by nature's rigid law of supply and demand in the open market. And as there is not the slightest prospect of his ever getting higher prices, except by a failure in the supplies from abroad, which would be ruinous to the country generally, it is imperative that steps be taken to make the yield from every acre of ground more productive than before. Agriculture must be followed by men who can farm their land on scientific principles; we have passed the time when the happy-go-lucky, haphazard system would pay. Men must be taught farming as a profession. Our dilatoriness is disgraceful. We have two agricultural colleges—one at Cirencester, in England; the other at Glasnevin, in Ireland; whereas in France there are 28,000 schools in which agriculture is one of the subjects taught. Prosperity has been a curse to us; it has made the middle class luxuriant in their habits, the working class indifferent to the quantity and excellence of their work. Every shopkeeper wants his country house; every farmer wants to follow the hounds. They must do as their forefathers did—stick to their shop and their farm, and learn before it is too late that success in the one, as in the other, will depend upon their knowledge of their business, the capital they have in their occupation, and the wise use they make of it.

We want technical schools for *every* trade, profession, and occupation. The time has come when, in the army, the professions, commerce, agriculture, every industrial occupation, we need, for the national existence, the utmost economy—an economy in production and distribution—only obtainable by efficiency on the part of each worker and distributor; that is only obtainable by our having properly trained scholars for their respective vocations, from the servant girl to the Premier, which only efficient technical schools can supply. We have Owen's College, in Manchester; Mason's College, near Birmingham; the Yorkshire College, at Leeds; and the City Guilds, which

are making great efforts. It is to be hoped they will persevere, and be as beneficial to the nation in this revival as in the past. It is intended to have a technical university at South Kensington, and instruction will be given in applied physics, applied mechanics, and applied arts, fitting the students to become technical teachers all over the country; and it is the duty of the Government, as soon as possible, to see that a teacher of technical education be attached to every school in the kingdom. On the Continent, these technical colleges are supported by the State and by the municipalities. The Swiss town of Zurich, twenty years ago, spent £100,000 on a polytechnical university, which is kept up at a cost of £18,000 a-year. We are all behind; we must awake, arise, or be left still further in the rear; be men, be like the Englishmen of old—"ever in advance." But it is best to be candid; the struggle will be a hard one to recover the ground we have lost; we must at first be content to be taught. And I cordially endorse Mr. Anderson's opinion, "that a Royal Commission, to visit the technical and agricultural schools of France, Belgium, Germany, and Switzerland, and to report upon them, would be of great benefit in bringing before Parliament and the country, in the accredited form of a Blue-book, the great advantages the industries of those countries are deriving from such schools."

To enable the commercial and manufacturing classes of this country to keep in the front rank in the contest with other nations, the most important requisite is a knowledge of what those other countries are doing. This is certain, they have been beating us in the race lately, and this result seems owing to the great attention that has been paid to technical education on the Continent during the last fifteen years; whereas our progress in the mechanical and constructive arts has been by no means satisfactory, owing mainly to our having no system of training in operation to take the place of the old apprenticeship system. We must place technical training within the reach of all who need it—within the reach of all those who have a natural talent for it. I object to State education. We are told that abroad the schools make great progress "because they are free;" it is a fallacy this "freedom of payment," when the work is done by a Government. The *people pay the fees*, and in the most costly manner—in the higher sum raised by taxes. Men should hesitate before trusting themselves to those statesmen who seem disposed to abandon the old-fashioned doctrine that "a man is the best judge and guardian of his own interests." What is done by men for themselves with an earnest will, is always better and more thoroughly done than it can be done by any Government. Be men, be independent; see the necessity for this technical education; be resolved to have it; refuse all aid;

work, save, pay for your own schooling, and for your children's schooling. There is no real freedom in any country whilst the people are content to be mere puppets in the hands of a paternal government. It has been truly said, "Those who would be free themselves must strike the blow"—the blow I mean, of knocking off the fetters that are a disgrace to our manhood—the fetters that would soon be undone if the people were self-reliant, self-helpful, self-dependent, above help either from the individual or the State. It can be done; is done by Saxony, where more progress is being made, and more is being done in the matter of technical education, than in any other country in the world; and there school fees are paid by the humblest citizen.

For the general welfare of the country, there is no subject which needs reform more than the "Patent Laws." Without the aid of inventions to utilize and economize, the world could not exist; without their aid, it would be impossible to sustain our ever-increasing population. Inventions have reduced the price of food almost as much as the repeal of the Corn Laws, and they have benefited us equally in nearly every department, to such an extent that one may truly say that a large share of the prosperity of England during the last fifty years is due to the genius of inventors. Yet in this "free trade" country, this country that depends so much upon being foremost in the fight, we have laws that put every obstacle in the way, that by their petty obstructions and heavy expenses practically prohibit patents. After the reduction of the Stamp Duty in 1852, three times the number of patents were registered; but the United States register "five times" more patents than we do. And why? Because their tax is small, and ours is large. I patented an article, but shall never patent another; it was too costly to be remunerative, besides the loss of time in red-tapeism and at the Circumlocution Office. You may judge of the absurdity and triviality, the needless waste of time, when I tell you that my papers were rejected because "self-acting" was inserted instead of "automatic." We want a scale of stamp duties that will cover the necessary expenses—a scale to make the Patent Laws self-supporting, and not a source of revenue. We want all details simplified as much as possible. Technical education will be deprived of half its benefit unless we encourage inventive genius at the same time by a complete alteration of the Patent Laws. At present we stifle inventive knowledge, or rather deprive the nation of its benefit, by a tax that discourages rather than opens out the minds of those who might be benefactors to mankind, but who are met with that "difficult obstacle," want of money, at the very outset—a cost, in fact, that practically drives mere simple labour-saving tools and instruments out of England's markets; whereas if we understood what true

economy is, we should not only foster the conception, but develop the manufacture of every tool and instrument that would save time and labour, and thereby reduce the price of commodities, and be a national benefit. It is beyond question that in some great industries foreign workmen show to great advantage, in point of skill, by the side of their English class-mates, and the best way to remedy this is to have technical schools, and a technical college that will serve as a connecting link between South Kensington and the technical schools of the country; a college for the benefit of all of the artisan class, intended to watch over and direct every class of workmen, by giving them systematic instruction in the fundamental principles of arts and trades; schools wherein they will learn the best method of applying their labour in order to effect in the most expeditious and efficient, and therefore the most economical, manner any given object; schools where they will be made thoroughly acquainted with the nature of the materials in which they work; schools, also, wherein will be taught the law of supply and demand, the most economical system for the acquisition by the individual and the nation of capital for the maintenance of labour—not by the few oppressing the many, but in the mutual and pleasurable conjunction of capital, skill, and labour, for the benefit of *all*, by producing and distributing every commodity at the very lowest possible price, between individuals of the nation, and between nations—the world one great brotherhood.

The value of technical education to the world was strikingly displayed in the "Milling Exhibition" at the Agricultural Hall, May, 1881. This international exhibition of flour-mill machinery, of bread-making and baking machinery, and of cereals and farinaceous products, surpassed in magnitude, novelty, and importance any show of a similar kind. The hall was converted into one vast humming mill, busy in manifold technical operations, from the cleansing of the grain to the sacking of the snow-white and branny products, and loading the air of the place with the corny fragrance of meal and flour. To show how ill-informed are the working classes of the difficulty of the masters, and their struggle to hold their position, the competition being so great, we have the fact that the milling operatives in London were agitating for a substantial advance in wages, whilst the masters were alarmed lest their trade should cease to yield a living profit even at the existing rate of expenses. Their business is *not* increasing, unless we include the rough grinding of maize and other corn for animals, and they are threatened with a failure of the future supply of wheat, which is the miller's raw material, and without which his "occupation's gone." Yet, in this serious crisis of his trade, the men want more pay. Why? Because they are ignorant of their real position;

they will not think; they will not see that there is a great and progressive diminution in the home crop, not from misfortune of season only, but from permanent changes in the husbandry of the kingdom; the number of acres of wheat cultivated having fallen from 3,833,000 in the year 1874 to 3,070,000 in 1880. But a far more serious matter for our milling operatives, a matter of life-and-death interest to the 10,000 millers of the United Kingdom, is the extraordinary innovation introduced into their trade—the novel systems of grinding and treating wheat and meal which have wrought wonders for continental and American millers, by which the trade of our millers is taken away, as the enormous and increasing imports do not furnish men, as formerly, with more work; on the contrary, by these improved systems, "flour," instead of "wheat," is sent us, as you will see at a glance by this tabular form:—

HOME-GROWN AND IMPORTED WHEAT AND FLOUR.

Year.	Home-grown Wheat available for Consumption. (Estimated) Cwt.	Imported Wheat. Cwt.	Total Annual Wheat Supply. Cwt.	Imported Flour. Cwt.
1875	39,537,000	51,876,000	91,413,000	6,136,000
1876	41,882,000	44,455,000	86,337,000	5,960,000
1877	40,872,000	54,270,000	95,142,000	7,377,000
1878	51,242,000	49,906,000	101,148,000	7,828,000
1879	26,000,000	59,592,000	85,592,000	10,728,000
1880	39,494,000	55,197,000	94,691,000	10,591,000

You will perceive that the importation of wheat meal and flour rose from 6,136,000 cwt. in 1875 to 10,591,000 cwt. in 1880. The value of these imported ground bread stuffs in 1880 was nearly £4,000,000 greater in 1880 than in 1876; the effect being to lower the yearly turn-out of British mills to about the same extent, and this in the short space of four years. It is the surprising growth of the milling industry in the United States which fills our home trade with the most serious misgivings; for whereas the quantity of flour coming from the States was only 1,772,000 cwt. in 1875, it was 3,635,000 cwt. in 1875, and nearly reached 7,000,000 cwt. in 1880. And if you give the question a moment's reflection, you will perceive that this rapidity of increase must be permanent. Following the natural laws, the milling industry being so successful, new mills are in course of erection in all the principal centres of the milling industry. But the more serious matter for our millers is the "economical" factor, that the substitution of flour for whole grain in exporting lessens the weight for land transport and shipment by about 30 per cent., as the proportion of fine baking flour yielded by the wheat is some 70 per cent., the

remaining proportion of inferior flour, offal, and bran being used as a valuable interchange with maize for fattening American cattle. The adoption of bags in place of barrels for packing has economized room in the holds of vessels, and the cost is further reduced by the smaller outlay for bags, and the realizing of their value when discharged in England. "Wise men accept the inevitable;" it is certainly unwise not to face this change in the milling industry. Viewed from any standpoint, the situation is most serious, as at a not very distant future our vast imports from the United States must be mainly, if not wholly, of flour instead of wheat. Now comes the question, why is this? Because the Americans eclipse all Europe not only in the quality of their flour, but in "the economy and perfection of their grinding." They do not stand still, but are ever improving. Even in Minneapolis, with its twenty-two mills, and a capacity for 15,000 barrels daily, and in St. Louis, where nearly 2,000,000 barrels of flour were manufactured in 1881, the system of milling, deemed quite satisfactory no longer than two years ago, is at the present moment being remodelled in order to obtain greater mechanical efficiency in the treatment of varied qualities of grain, and to secure in the product a higher percentage of the finest and whitest flour: an example of watchfulness, of knowing the principles upon the observance of which success depends, that our millers must follow if they do not want to fall behind in the race.

The object in all my books is to establish a principle; I have therefore gone fully into this milling question, as the same principle is applicable to "all trades." The key-note to my teaching is, "every effect has a cause." "As men sow they reap." If our silk is sent to Germany to be dyed, if our material is sent abroad to be manufactured, if we buy of others what we used to sell to them, if "flour" is sent us instead of wheat,—it is all due to one fact, that we are letting others beat us in the race. We were ahead, but we got conceited; worst of all, we became extravagant, not only in our expenditure, not only in wanting to "spend more," but in that more fatal recklessness of "producing less." Royal Commissions on Technical Instruction are travelling about to see what new industries can be introduced advantageously into the United Kingdom;—a wise step, that must be productive of good, more especially if they report that at Lille, and other continental manufacturing centres, the factories work seventy-two hours a-week, whilst in England the "law" steps in, and only allows our mills to work fifty-six hours. The spinners of Belfast are as scientific as ever they were; but how can they compete with fifty-six against seventy-two hours? The flax and woollen trades have been crushed by the last Factory Act. A most fatal error, this

interference of our Legislature between employer and employed, almost making it a crime the keeping the machinery at work, no matter how urgent the work. We do not hold the position we did, for want of training at the "right time." It is no use after a man has settled to his vocation; he has then become a machine, only interested in the amount of his wages. A manufacturer wrote me the other day, "They go on all their lives having instruction drilled into them, yet getting very little knowledge from it. Nine out of ten weavers can do nothing to making a piece of cloth, if not a plain or common tweel, unless it is written down for them, although they may have been at weaving twenty, thirty, or forty years." He argues that they ought to get their knowledge at the mill; but I think they must be "prepared" for what the mill should teach them; also that their duty and interest lie in the same direction. This want of technical knowledge is a great loss to manufacturers. If I complain of uneven weights of the same article, the reply is: "If we give two weavers the same instructions and the same weft, the weight of a piece will vary three, four, or five pounds." It is imperative, however, that we produce cheaper and better, and distribute more expeditiously and economically. To do this, every man interested must understand more thoroughly what he has to do, and do that with greater efficiency, and more quickly; being truly economical, not in penurious, miserly abstinence, but determined to "produce more," and to expend in the doing of it as little as possible. I want men to have more enjoyment out of their lives, not less. It is evident that nature did not mean men to be idle either with their brains or bodies. "Six days shalt thou labour," is a glorious edict, not a curse for disobedience, but yielding to mankind, by a faithful observance thereof, the greatest possible happiness. "Every day a Sunday," is a perpetual misery; to get up, day after day, without occupation, is as great a punishment as solitary confinement. To live, men must work; to maintain your position, you must be ever "progressing;" if you are not, you will be beaten by others more earnest in their efforts; "Progress" is the law. Our youth must be trained in the latest thoughts; it is cruel to send them forth laden with a lot of obsolete ideas, burdened with a drag that deprives their minds of free action. The only yearning implanted in youthful minds should be the "desire for truth," ever to be grasping after more light, to be free from the strange hallucinations, foolish conceits, and inconsistencies of the past. Men should begin the world with a lofty conception of the Deity, a pure morality, deep philosophical thoughts—food that will stimulate and satisfy the religious cravings of humanity; making a heaven of this world, instead of the desert that it is to nearly all of us, because, instead of living

kept alive by grains of good wheat, we are choked up with a load of husks, silly puerilities, degrading superstitious ideas, forms, and ceremonies, which have made it such a slow and laborious process for the development of a higher civilization and more refined culture by the intellectual, spiritual, and moral forces inherent in human nature. Unfortunately, this "upas-tree" has strangled too many of us. The "sufficient for the day" theory will ruin us, unless we wake up and shake off its enervating influence.

What is wanted by England is an encouragement of "inventive genius," by making the obtaining of patents easy and cheap; technical schools to develop the latent talents of the people—a training that will show them the value and power of capital in employing skill to invent and direct, and the absolute necessity of all our manufacturers having the wisdom to see the economy of purchasing the "newest and best machinery" at once, and the courage to put aside one set of machines as valueless directly a better is available. We want the people to understand the value of "thoughtful thrift," "true economy"—to appreciate the aid machinery is to all, in its labour-saving power, alike for the benefit of the nation as the individual. It is surprising the increase of comfort in every household by the various articles now obtainable of domestic labour-saving machinery—inventions of many kinds for saving the work of the cook, the housemaid, and the laundry-maid. For the kitchen there are many patent cooking stoves and ranges, arrangements for doing away with the dangerous kitchen boiler, smokeless fuel, cooking utensils of American manufacture, very light, and said to be heat-proof and incorrodible. Mr. Kent, of Holborn, has long been noted for his many useful inventions in the way of labour-saving domestic machines. Messrs. F. and C. Hancock, of Dudley, have just brought out a patent machine for washing and peeling potatoes at one operation—useful not only for the saving of time, but on the ground of economy. Look around us where we will, there is abundant evidence to show us that the world we live in is a world of orderly movement, one of intelligible progress, and hence one where the course of nature can be foreseen. This grand idea of "cause and effect" is equally true of human affairs. We find intelligible progress there—a steady, constant progress, and with seemingly no final bounds. A new era will begin when mankind realizes human life to be a continual effort towards a higher state; when men realize not only that society generally is advancing, but also the way by which it advances, can alone advance—by the struggle for a grander future, by the progress towards true ideas of "what is," by the human spirit grasping at last the truth of the "spirit of law," and putting into practice Montesquieu's conception of

law in things social; we shall at last get a systematic saviour of society, once we get extended to society the notion of law, as invariable and unerring in its action as in the physical world. Without such a knowledge of social science, I defy any man, however talented, to be a maker of wise laws, which require that rare genius which combines the philosopher and the statesman. Social science is useless unless it issues in a real political art. Hume, with his great intellect, laid the basis of a complete scientific analysis of society; Adam Smith extended this method by his consummate review of the economic conditions. Nature's infallible remedy, "necessity," will compel us to understand and develop the "science of economics," by adopting the means how to make "nations wealthy" that Smith had the genius to discover. It is a sad disgrace to us that, 107 years after Smith had published his book, "Inquiry into the Nature and Causes of the Wealth of Nations," the mass of the people are as ignorant of the subject as they were before the book was published in 1776. It seems incredible that "England" should have sunk so low that, at a meeting held in Yorkshire in 1881, it was determined to appeal to the Princess of Wales to countenance by her example an effort to change the fashion in favour of Bradford goods. Think for a moment of the humiliation to us as an enlightened and practical people, yet so foolish as to think that an expedient in accord with the ideas prevalent in the Middle Ages could be attended with any permanent satisfactory results to the manufacturing interests of a district like Bradford! To use Tennyson's beautiful couplet,

> "For words, like nature, half reveal
> And half conceal the soul within."

Such actions reveal the ignorance we are skilful enough by words to conceal. But nature is not to be trifled with; whether we recognize the fact or not, results will show that we have passed the time when royal support can be of any worth; the conception is degrading to our intelligence. Shall we never learn wisdom from the past? The importation of printed or stained calicoes excited the jealousy and apprehension of the weavers of woollen and silk fabrics; so, to pacify the weavers, an Act professedly "for the more effectually employing the poor, by encouraging the manufactures of the kingdom," was passed in 1699, prohibiting East Indian chintzes being worn here, and only allowing them admittance on condition of their being re-exported. But as love laughs at locksmiths, so nature defies amateur statesmanship. There being a demand for chintzes, capital and skill soon gave the supply; print works were established in or about London, and their productions, both by their

cheapness and attraction, taking the public fancy, the weavers quickly found themselves in as bad a condition as before. In 1712 more tinkering legislation was resorted to, in the vain attempt to discourage by Act of Parliament the wearing of calicoes. The ancient weavers, like the modern Irish, knew the value of agitation, and they got an Act passed imposing a duty of 8d. per square yard on all printed calicoes, which was doubled in 1714. But the results, as we know now, thanks to Adam Smith, were not satisfactory to the weavers, whose claims caused the enactment in 1720 of a prohibition of all printed calico whatever, under a penalty of £5 on the wearer and £20 on the seller of each piece of such calico. This law was modified in 1730, when calicoes of linen warp and cotton weft were allowed to be printed, subject to a duty of 6d. per square yard, which was altered again in 1774, to admit the all-cotton calicoes of Arkwright. The duty was at the same time reduced to 3d. a-yard, raised in 1806 to 3½d., and was only wholly repealed in 1831.

The lesson we have to learn from the past is, the absolute inutility of trying to divert demand for an article by imposing prohibitions or duties thereon, so as to cause that demand to be supplied by another commodity which the legislation is intended to support. The only good result from such legislation is to help the parties over the ruinous transition state, by trying to check the current from flowing too suddenly into another channel. But every manufacturer—nay, every educated man—should know that he is subject to these changes of public caprice or fashion. Nothing is more capricious than the empire of this goddess, and the experience of every trader proves her potent influence to develop or check his trade. The "lucky" ones are those who possess a kind of intuition in discerning earliest the change in taste. It is useless to fight against her whims, as foolish as the old miniature portrait painters, who saw their incomes fade away because they would not enter the lists afresh as colourers of photographs, when their art was put aside by the sudden rush of public opinion in favour of sun-pictures. A few weeks or months often suffice to create a new, and starve out an old industry. The art of glass-staining was in its perfection when the great foundations of Wykeham, Waynefleet, and Wolsey were made; but the outburst of Puritan iconoclasm quickly destroyed the profits and prospects of the trade, and it has been impossible to revive the art so destroyed. The Puritan revolution destroyed at a blow the business of all theatrical people, of the sculptors, painters, musicians, and pantomimists. The faster a nation progresses the quicker will be the changes in customs and fashions; manufacturers and tradesmen must watch more closely the mobile glances of the popular

goddess, be always on the look-out for indications of change. Great fortunes are to be made by understanding how to cater for the foibles and weaknesses of humanity; large fortunes are soon lost by those who, being incompetent to perceive the impending change of styles, are in possession of large quantities of obsolete, and therefore unsaleable, goods. It is useless to object to the power of the fickle goddess of fashion; the wise policy is to study her wants, and supply them. Bradford was busy when their bright-haired woollen and cotton mixed fabrics were so high in public favour; and if their goods have been displaced in the market by the thin all-wool dress goods of Roubaix and similar productions, it is quite obvious what Bradford capital and skill should do: viz., have their machinery altered, or buy such machinery as will produce what the public require. To say it cannot be done is childish; "impossible" is a word to be rejected with contempt. It is not the first time in the world's history that a staple branch of a nation's industry has been crippled by foreign competition, or been displaced by a material thought more of. Frankly, we must expect to suffer; we shall suffer, unless we, by technical schools, by museums of trade patterns, by promoting technical skill, and in similar crises as now exist at Bradford, offer at once a large reward to any one who will show how the rival product can be put into the loom and made as well or better, and at as low a price, or lower; or, better still, introduce a novelty of our own to supersede the other. These remedies will come naturally enough once we get rid of our defective system of technical education, or rather the entire absence of any system, and the apathy and ignorance of the majority of those engaged in manufacturing districts as to what is being done outside their own limited sphere. We must have a national museum of materials and designs, also of colour; our dyers are quite behind the age. Dr. Bader told me that when studying colour blindness, whilst from Berlin he got 4,000 shades of coloured wool, in England he could only get 400. We have a deal of trouble with the manufacturers we do with; an article sells; we re-order it; and it is surprising how many will excuse their own ignorance or want of attention, by telling you, as coolly as possible, that it is *impossible* to reproduce what has been produced. It is a mortifying reflection that, whilst the raw materials from which all coal-tar colours are made are produced in our country, the finished and valuable colours are nearly all manufactured in Germany. The crude and inexpensive materials are exported by us to be converted into expensive colours that have to be bought by English dyers and calico printers for use in our staple industries. The cause is obvious enough: the success of Germany is due to the

long-continued attention which their numerous universities have paid to the culture of organic chemistry as a pure science, and also to the general recognition amongst Germans of the value, from a merely mercantile point of view, of high scientific training. In proof of this, it may be mentioned that each of two of the largest German colour works employs no less than from twenty-five to thirty highly educated, scientific chemists, at salaries varying from £250 to £500 or £600 per annum. Some effort ought to be made to revive this branch of industry, and put it on a footing worthy of a manufacturing country. That it is not I have found in my own limited experience, having tested the colours of goods by acids and exposure to the atmosphere, and proved that chrome blacks will not stand either, and that indigo on chrome blacks is reckless waste, as a good copperas black without indigo will stand acid and atmospheric tests better than chrome with indigo; and that a copperas black, indigo-dyed, will never change colour. Yet, although I have put the results of my experience before manufacturers for years, the effort, so far, has been in vain; the dyers go on in their old way.

Mr. Wiliam H. Ablett presented a memorial to the Vice-President of the Council, some years back, in favour of the establishment of a Museum of Trade Patterns at South Kensington; but the idea turned out a failure. As usual, we made the exhibition a series of little shops, an advertising medium for pushing houses; the "educational" idea, the germ of the suggestion, was overlooked. We want museums for the studious to have the opportunity of attending to see what is being done best all over the world, in each branch, with schools to train the hands and brains in the particular work they will have to do. We should be repaid by having in every industry well practised eyes and hands ready to take up the newest ideas—how a rival material is made, how it can be put into the loom and copied, or be improved upon. All that is needed is the training beforehand, and the opportunity for experienced and practical men to see collections of goods in their own line, both native and foreign. In this way we generate fresh ideas, originate new combinations, get "novelties" of our own, and shut out in a legitimate manner—viz., by our superior skill in supplying the market with what it needs—rivals we are beginning to fear. Why? Because foreign countries have already done what I say should be done. At Mulhouse, the examples of every year's production of textile fabrics have been pronounced of the highest value in stimulating improvements in manufacture; and two or three years back it was said that Alsace excelled Manchester in the superiority of her high class prints, which were distinguished by taste, elegance, and originality of colouring. The question of technical

education has become a "national one." We need, and must have, permanent technical colleges and museums for fabrics and designs, for every branch of industry throughout the country. It is only by adopting boldly and freely this plan that Great Britain can retain her supremacy in the industrial world. To do this, we must enlarge the general intelligence, and strive in every way to improve and elevate British manufacturing skill. Bradford for dress goods, must be made equal, if not superior, to Roubaix; Spitalfields for silks and velvets, to Rouen; Coventry for ribbons, to Basle and Germany. The Scotch and Irish, who used to work in what is called the sewed muslin or embroidery trade, must recover their share again from Switzerland. If it is a disgrace for a general to lose a battle, it is, and should be considered, equally disgraceful to a town to be beaten in the struggle for a living—the struggle for life. We spend a large sum yearly in teaching people how to "kill"—the art of "legalized murder;" let us begin a new leaf, and use our brains in teaching the people "how to live;" educate brain, eye, and hand; aid the workmen in every branch of industry they depend upon for a living, to acquire the necessary technical skill—a training that will aid English manufacturing progress. The time has come when we can only hold our own through the acquisition of technical skill by the industrial masses of the country.

Science has, to a large extent, released us from the paralyzing notion of fatality in things evil; but tyranny is a monster that never dies. It has passed into a proverb that "eternal vigilance is the price of liberty." And why? "Because the spirit of oppression is never destroyed, and, on its part, is sleeplessly vigilant." Who would have believed that the English people—whose passion for liberty is recorded in splendid pages of history, whose resolution to build on these islands a commonwealth of justice and freedom is written on every acre of its soil in their hearts' blood—would yet, in 1881-2, sanction "tyranny" under the guise of benevolence to put aside man's right to make his own contracts, and "law" once again to interfere between buyer and seller? Once more the Government were allowed to lock up the people as "suspects" without trial; and, instead of passing rules that will restrict a debate, they pass the "gag" law of "clôture" to suppress it, and leave the minority at the mercy of a majority. "Liberty!" what crimes are committed in thy name! The "caucus" dictates to the "Liberal" representatives; and in this land of freedom, in 1882, one who had the moral courage to vote according to his conscience was rebuked by the members of a "Liberal" Association, and warned, like a naughty boy, not to err again, or he would lose his seat at the next election. Englishmen

must be sadly altered to allow their representatives to be degraded to "delegates of the Birmingham caucus." If the people want to retain their freedom, they must recollect that liberty means "freedom of thought" and liberty of speech; a member of Parliament, as their representative, voting according to his reason and conscience, and not as the mere puppet of a party,—the right of every individual to develop his nature, and do his duty to the best of his ability for himself and the community. True Liberalism will foster, but "Radicalism" must curb and stifle individual efforts.

I am astonished that men should voluntarily return to the "slavery of State control." Before it is too late, see the danger; be men; control your own lives; zealously guard your right to make your own contracts; shake off with contempt and loathing the accursed "paternal" authority of the Government; make your own future; live your own lives, unfettered by the "galling chains" of the law's control. Retain at all costs the right to think and act for yourselves, as men jealous of inheriting a blessed freedom wrung by your forefathers from the very "State" that is again trying to reduce you to vassalage, to enthral you again in its meshes, under the guise of offering you a "pecuniary benefit" by protecting the weak from the strong. It is an attempt to lure you to destruction; it is asking you to sacrifice your liberty, your personal freedom. Put the tempter aside; tell the State, let the struggle be as hard as it may, you will fight the battle of life, and wrestle with Dame Fortune, however hostile and unpromising her attitude may be. Be too proud to accept "State patronage" even in the shape of "reduced rents;" and, instead of this piece of State quackery, put a stop to reckless waste and mismanagement alike by the State and the individual. It is surprising the "daily waste" in the shape of useless routine, that clings to and saps the strength of nations. The time has come for one and all to adopt the best and most economical system that is in operation, and make the same universal. Learn your business in its entirety, understand thoroughly all its technicalities, master all the details, watch their operations, improve where you can; and remember that there are causes for success and failure, that "if one man succeeds," others can; but it is only by passing through many a March storm. But be of good cheer, for spring—bright, happy spring—will come at last.

"Our doubts are traitors,
And make us lose the good we oft might win,
By fearing to attempt."

SHAKSPERE.

INDUSTRY.

"To labour, and to be content with that a man hath, is a sweet life."

ECCLESIASTICUS.

"Labour is the best fund to invest in, for it yields a per-centage limited only by our own industry."

"Industry needs not wish; and he that lives upon hope will die fasting."

"Diligence is the mother of Good Luck; and God gives all things to Industry."

"He that by the plough must thrive,
Himself must either hold or drive."

FRANKLIN.

GARIBALDI told the working men of Rome, in 1875, "the title of 'working man' should be considered more honourable than any other, not alone for satisfying the ambition of raising oneself to a higher grade of society, but for the spirit of true independence only the industrious working man can really possess: read history, and never forget its grand lessons. Never lose courage, be industrious, and you must conquer eventually." He told them to be, as the Romans, their forefathers, were—steady, undaunted, unflinching, perseveringly industrious. "Imitate," he told them, "the English in what they call 'steadiness of purpose.' Nothing," he told them, "daunts the English people; they bear a greater resemblance to the ancient Romans than any modern people; whatever they desire to accomplish they set about with an earnest, steady will, which seldom fails in obtaining its end. They are never beaten down by misfortune. Follow," he suggests, "in their footsteps; this is the advice I have to give you as a friend and your brother." Let us try and deserve this splendid panegyric from the hero of Caprera. Many think we are not so well entitled to such praise as our forefathers; but I am disposed to think, if the tendency of the times is for shorter hours, it is owing to the much more intense and closer attention and keener watchfulness the necessities of our times require. There can be no doubt industry has been the backbone of the English character; by it her people have made this island respected all over the known habitable globe; by it we have become recognized as the workshop of the world; by it we are enabled to rise superior to the apparent delights of indolence;

and there is no safer protection from the temptations of a life of pleasure, especially for youth, than being always occupied.

With man's organization as it is, labour should not be regarded in any other light than as a blessing; so long as brain and body are able to work, they should. The great weakness of our middle class is, having acquired a fortune, they educate and train their sons above work, and then wealth becomes too often a curse instead of a blessing. Take no heed of the morrow; "sufficient for the day," &c., should be construed into meaning earnestness in application day by day, and not weakening one's labour by speculations as to the future, but having faith in result, if one assiduously applies himself to his daily duties. One of the most important things to teach in forming the true business character is "learning to labour and to wait," ever persistently, patiently, and hopefully striving. Every one should have an object in life.

> "Work without hope draws nectar in a sieve,
> And hope without an object cannot live."
>
> COLERIDGE.

We should be taught when young, and the resolve will grow on us as we advance in years, to labour during our days. Labour for the honour of being a worker, not for the devotion of our life to the accumulation of wealth. You can be industrious in a variety of ways. What is the use of health, or of life itself, unless it be to do something in this world for our own or others' benefit? In every parish there is scope and opportunity to help or modify the grievances and troubles of those around and beneath us. What nobler work is there than the planting of foreign thought, the result of observation, experience, reading, or reflection, into the barren domestic soil, except, indeed, it be planting thought of your own, which, however, the fewest only are privileged to do? We might all help each other a little in making things go more smoothly, and thereby reduce the high pressure at which we are now living. There can be no doubt the speed is too fast, and must be modified on the one hand, or our bodies strengthened to sustain its exactions on the other; we want more time for observing and thinking over what is going on around us, especially to teach us, as Burke said, "what shadows we are, and what shadows we pursue." The task will be difficult; but method and thought, in conjunction with industry, can only help us to live as quiet and peaceful a life as the disturbances, turmoil, and changes around us will admit of. Above all, let us avoid the malign influence of misplaced ambition or imprudent advisers, and keep to the modest path of self-restraint, and thereby best consult our own true interests.

There is no sphere of action where practical faith is more required

than in business. Our cares in this world may be represented by a bundle of sticks which each man has to carry, but the knot has been wisely and mercifully untied, and if we will but carry them as they come on us, one by one, they are to be borne by one and all of us. Whatever you do, rise superior to, and get rid of, anxiousness; as anxiety injures the stomach more than arsenic, and only generates fresh cause for anxiety by producing inaction and loss of time. There is no greater folly than impairing our energies by imagining or anticipating troubles—trying to carry the lot at once, as some do. The industrious man has no time for imaginary griefs and troubles, and being prepared to work through life, takes his labour with cheerfulness; the Saturday evening which brings repose is not more agreeable to him than the renewal of his occupation on the Monday morning; and the man of regular industry and principles, while free from anxiety for the future, usually gives it that due care which gradually improves his condition. He knows that as only a small portion of the world can ever be rich, he may not become so, yet he has his chance.

Time devours us all, but by incessant working for seventy years we may escape him. What an air of juvenility an old working man retains to the last! He is so regularly occupied that age creeps on him quite imperceptibly. It is so in every department of life, from the statesman to the artisan. Our time is limited; no one can evade death; but whilst alive let us do our duty and work in the right direction. Our bodies and souls are in continual movement, in a continual waste, requiring a continual repair; this is most effectively done by industry. Restless inaction, like Sir Hudibras's sword, is apt by rust

> "To eat into itself, for lack
> Of something else to hew and hack."

Akin to industry is *obedience*, which should be inflexibly enforced upon the young. Parents often do great harm, when a boy first enters life, by listening to his complaints and pitying him for imaginary hardships; it is wiser never to interfere, except to impress upon the boy the utmost importance of his learning to submit, without demur or questioning, to those above him. As regards obedience, it is beyond measure safer to err by excess than default. Obedience is our universal duty and destiny, and to succeed in life it is essential; the after task is much easier if, as soon as children are able to understand what obedience is, parents explain what God's laws are, and the value in after life of strictly obeying them. From this first seed will naturally flow a willing submission to commands by parents, teachers, and employers. It is much better in every way to try to bend—and the task is easy if commenced at the right time—than to have to break the

youthful spirits. As a rule, these cannot be too early or too thoroughly trained to know that "would," in this world of ours, is as mere zero to "should," and, for the most part, as the smallest of fractions even to "shall." By it is laid the basis of worldly discretion, nay, of morality itself.

Life never ran smooth yet, and can hardly be expected to change its character for us; so we must take it as we find it, and fashion it into the very best shape we can by industry, patience, and good humour; and we shall often find an excellent will is a capital substitute for want of power. One thing is quite certain, it is useless crying over spilt milk, or brooding over our miseries and troubles; we must try and make head against them. Look around and see what changes are wrought, not by time, yet in time, for, not mankind only, but all that mankind does or beholds; a perpetual methodical industry, securing a continual growth, and maintaining an ever-increasing, self-perfecting vitality. The man that works is to him that is idle as light is to darkness. Man can only be happy by the full exercise of his faculties, and we should all of us let our small world know that our particular part of the universe is in motion. "He that stands in a place and does not the duty of that place, is but a statue in that place, and but a statue without an inscription; posterity shall not know him, nor read who he was" (Donne).

The employer should be as captain of a ship, and his presence be equally necessary to its safety; even very large concerns, which may be correctly described as a series of small concerns worked under one management, the employer should generally superintend, and by his books be cognizant of the principal details of his establishment, and, where possible, pay his own salaries, bringing him, as it does, into contact with all his employés at regular periods; and they prefer being paid by the employer. As a rule, it is not advisable that employés should know each other's salaries. Every one should be his own buyer. When the business is too large, he should check all invoices, and obtain so intimate a knowledge of the business from the books as to be familiar with what has to be done and must be done to pay expenses—the liabilities, and how they are to be met. Our successful merchants are such men as these, who never neglect any of the conditions of success, possess indomitable industry and perseverance, allied to a thorough uprightness in all their dealings. These men deserve more of the world's honours than they get, inventors especially. How they work, cheered on by every slight advance in perfecting their ideas, devoting their lives to benefit their fellows! What a number of these men we have had, one after the other, improving and improving, and making implements that lessen the labour of conquering the earth,

or securing to man all she can bring forth for his benefit! "What a contrast there is in the gentleman's soft hand, never having done anything for himself or any one else! How much more to be honoured is the toil-worn craftsman! His hand may be hard, crooked, coarse; but notwithstanding, therein lies a cunning virtue. Venerable, too, is the rugged face, all weather-tanned, besoiled, with its rude intelligence; for it is the face of a man living man-like. Toil on! toil on! *thou* art in thy duty. Thou toilest for the altogether indispensable—for daily bread."

What is the main and ultimate object of life: labour, or cessation from labour; toil, or the recreation which, in expectancy, is the encourager and sweetener of toil? The tendency of the present generation is to aggravate the pressure of the period of serious employment, and, in proportion, to endanger, by overstraining, the pleasure which does and ought to proceed from its pursuit. The heavier the pressure upon the hours of work, the more stringent is the necessity for a well-defined and ungrudged period of relaxation. There is a perennial nobleness, and even sacredness, in work. Were he ever so benighted, forgetful of his high calling, there is always hope in a man who actually and earnestly works. In idleness alone is perpetual despair. Work, be it never so small, is in communication with nature. The real desire to get work done will in itself lead one more and more to truth —to nature's regulations, which are truth. To do nothing but live, when you live for the mere sake of living, and because you cannot help it, is perhaps the dreariest occupation on earth. Work cures half the ills that flesh is heir to. Regret, loss of hope, shame, all yield to work; and hard work is rewarded by Nature's motherly kindness, by sound, sweet sleep.

Too much cannot be said in favour of industry, its necessity, and its proving clearly and indisputably the philosophic truth that our actions bear fruit and are rewarded, even whilst we live, in accordance with our deserts. The world abounds with facts that make this a truism. Every one knows men who have risen solely through the plodding, common-sense industry and energy with which they always devote themselves to whatever duties lie before them. What a contrast such self-reliant, self-dependent, self-made men, who are above either stooping to tricks or being pushed up the ladder of success by adventitious aid, to others who try and make their way by copying and clothing themselves in borrowed plumes, or degrading themselves as leaders by taking, often in an underhand manner, men from other situations, in the hope they will be able by so doing to pluck fruit from seed that others have sown!

Rely on industry in your fight to win in the battle of life. Do not

take things easily, with no thought of the future; nor trust to favourable turns of the tide. Happy inspirations may come, but they need labour to give them adequate setting. The man who has force and genius enough to perform any work of transcendent excellence is possessed by a yearning after an unattained and unattainable idea; he must toil, and toil is generally moralizing. The star of the ideal scarcely ever shows out full and clear before the eye of any soul who has not searched for her carefully; there is one indispensable condition, which will not, indeed, insure it, but without which it will never come—there must be industry to get the preliminaries completed. When education has prepared our brains and hands, then it is that genius writes the lines which the world will not willingly let die, and paints, or carves, or speaks, or acts with a masterful spontaneousness; but, do not forget, it is the spontaneousness of a second and disciplined nature. The orator is made, the master of style has found and fashioned his implement; until that is done, extempore writing is as pointless as extempore speaking. No considerable speech was ever delivered but by a man who knew its subject matter well enough, at least, to catch its more passionate expressions, and to present it to others with clearness and animation. Even the poet, whose gift comes more directly to him, who might appear to neither toil nor spin, whose creative exuberance seems innate, is using materials which have been laid up by careful processes; for if you will have a tree bear more fruit than it hath used to do, it is not anything you can do at the boughs, but it is the stirring of the earth and putting new mould about the roots that can alone produce the desired result.

Work is the medicine of the soul; fresh experiences, like running waters, carry off most of the unwholesome elements of life, especially the sediments of prejudice, ill-temper, and impatience, which, if left to itself, becomes stagnation. Unchangeableness is a quality of very doubtful virtue when carried to excess. It is a question whether we should admire what we see fit to call providence, but for the perpetual variety of good and evil fortune with which we are treated. Some say, "The day is always thirteen hours long if we like." There can be no doubt successful men are those who have learnt how to economize and utilize regularly and daily their time. Instances may certainly be found of men who disregard these rules, and also those of wisdom and virtue, yet become rich; but where one such man can be pointed out, a score of others, who resemble them in everything but shrewdness and energy, may be mentioned who have disgracefully failed. On the other hand, it may be that among twenty men who act industriously, and with strict regard to principle, not more than one of them will be found to have become rich, but the other nineteen have

probably *never failed.* You will perceive the great distinction; they have *earned all* they have ever spent, and having performed their portion of the labour of the world, have its confidence and respect, and are known as men of independent spirit, who can neither be bought nor bent to improper designs—as men who fulfil the great purpose of life, and who are regarded and remembered for their worth.

As a rule, the man, be he good or bad, who begins with the determination to be rich early in life is most likely to be disappointed; let him take any example of rapid success, begin with the same means, and do precisely the same things, as those who have become rapidly rich, he is very likely to find that although the same course pursued ten years sooner or ten years later might have been successful, yet, owing to causes entirely beyond his own control, it could not possibly produce the same result when he attempted it, and all his skill will be required to avoid ruin. In truth, the path that leads *speedily* to wealth is generally discovered by some accidental concurrence of circumstances, but the turnings that lead to failure and disgrace can be seen from afar, and may be avoided by reasonable care: one of the principal is a want of regular, industrious habits. On this point parents and masters should be firm with the young at first starting. Notice and condemn all lazy, lolling, idle habits and tendencies. Break the young into steady, regular, persistent, plodding, industrious ways; if not done early in life, the habit is never thoroughly acquired afterwards; but the power of, and inclination to work grows on the young, and it soon becomes a pleasure, their self-esteem being gratified by the pleasurable feeling arising from their usefulness and sense of responsibility. Labour of any kind is performed in the best manner only by those who put their whole heart into its accomplishment. Their reward comes to them, not in the applause of an admiring crowd, but in the actual fulfilment of their endeavours, in the excellence of their work, and in the new and progressive ideals that rise up before them, ever beckoning them on to fresh conquests.

Industry is a noble thing, "being the energetic engagement of the body and mind in useful employment." Even benevolence depends on industry. Labour with your hands at the things that are good, that you may have to give to those that need it. It is the secret of those grand results that fill the mind with wonder—the folios of the ancients, the pyramids of the Egyptians, the Atlantic cable, the Suez canal, and the stupendous works of internal communication in nearly every country, principally through the labour, skilfully organized and directed, of our own countrymen—that has made nations more friendly by their becoming more

connected commercially, and must ultimately, through common self-interest, bind all nations in harmony and good-will together. "There is no art or science," says Clarendon, "too difficult for industry to attain to." It is the gift of tongues, and makes a man understood and valued in all countries and by all nations. It is the philosopher's stone, that turns all metals, and even stones, into gold, and it suffers no want to break into dwellings; it is the north-west passage, that brings the merchant's ship as soon to him as he can desire; in a word, it conquers all enemies, and makes fortune itself pay contributions.

You will perceive the importance of industry when you consider the tendency of matter is to rest, and it requires an exercise of force or of will to overcome the *vis inertia;* when anything has to be done, it should be done immediately, without parleying or delay. Your skulker is never efficient. Do all things with energy, as though you meant it; be in earnest, not slothful. Slow people are awful. Never think whether you are being observed or not, but be the same industrious plodder all day long; when disengaged, examine or put your stock or memos. in order: knowledge of stock often makes or facilitates a sale, and knowing where to find it saves time. Be up early, so as never to get behind with what you have to do. Repeated exercise of the will in this way will soon form the invaluable habit of industry; and when industrious men are warned to retire from business by declining health, their habits still remain, and they will find some healthy and useful occupation which can be followed *con amore.* Whereas, when an indolent man retires, it is to a life of misery; he realizes what Cowper has so well depicted:—

> "'Tis easy to resign a toilsome place,
> But not to manage leisure with a grace;
> Absence of occupation is not rest,
> A mind quite vacant is a mind distress'd.
> He proves—
> A life of ease a difficult pursuit."

People talk too much of over-work. If the body breaks down from over-work, it is because it has been injudiciously used; when the strong and active brain breaks down suddenly, there must have been the worm of care therein eating its life away. "Worry" kills and weakens, work strengthens body and brain. The labour of the brain may be too severe, work prolonged until it produces serious exhaustion; but in either case it is only drawing on the capital of strength, the using up the reserve resources—unwise perhaps, but unless persisted in, it will not cause disease, or inflict any permanent injury. A well may be emptied by pumping out the water quicker than it is refilled, but the apparatus is not destroyed, and time will

remedy the defect. Rest of body or brain after excessive or too continuous exertion, will be followed by recovery; if not, the recuperative faculties must be impaired or disabled. It is often difficult to trace the cause of the sudden collapse of energy; why the mind, previously healthy, and apparently able to perform its usual duties, breaks down instantly and thoroughly, and under a strain not great. In such cases, if it be not known to others, the person must have had warning, intimation of a want of power, the struggling on to do the old amount of work, without the old recuperative power, and the collapse comes, when a succession of little worries break the seemingly still strong mind. If left too late, it is in vain to seek refuge from the supposed effects of "over-work" in simple idleness. Something more than exhaustion has occurred, and rest alone will not cure the evil. The mind needs "change" rather than "rest." Agreeable employment, however engrossing, stimulates the recuperative faculty, while it taxes the strength, and the supply of nerve-force seldom falls short of the demand. A strong sense of duty enables us to conquer the feeling of weariness which all feel, more or less, at work that is distasteful. Nevertheless, if the will be not in the work, if the mind be not in harmony, like a complex piece of machinery working with heated bearing and much friction, the mind will wear itself away, and a break-down ensues. When we feel a sense of weariness, we too often ascribe it to "overwork;" whereas, if we thought the matter out, we should find the feeling arises not from bodily or nervous fatigue, but a more or less conscious distaste for the work in hand. It is the "irritating occupation" the wanting not to carry the burden that breaks the back, that, if it liked the task, could be carried with ease. Call upon a man seemingly worn out and exhausted over the work in hand, after a little while introduce a subject he takes an interest in, lo, and behold! we have a new being; the listlessness has gone; his work had not exhausted his stock of energy. Nature is too wise; the reserves of physical and mental strength within us are too closely guarded; what was wanting was the "will;" let that act, and the weariness is gone, and he is capable of feats of intellectual or physical strength immediately he willingly exerts his power to draw forth the reserves of power placed in reserve by the Creator within every man, at the disposal of his will.

"Working at high pressure may be bad, but working at low pressure is incomparably worse. The natural safeguards are so well fitted for their task, that neither the body nor mind is exposed to the peril of serious exhaustion so long as its functions are duly performed; overwork is *impossible*, so long as the effort made is natural. When energy, of any kind, takes a morbid form of action, some force outside itself

must be reacting upon it injuriously, and the seat of the injury, so far as the sinister influence on energy is concerned, will be found in close proximity to the sensations which, under normal conditions, guard the reserve. For instance, when the laborious worker, overcome with fatigue, "rouses" himself with alcohol, coffee, tea, or any other agent, he does not add a unit of force to his stock of energy; he simply narcotises the sense of weariness, and, the guard being drugged, he appropriates the reserve. In like manner, when the dreamer and night watcher, worn out by sleeplessness, employs opium, chloral, or some other poison to produce the semblance of repose, he stupefies the consciousness of unrest; but, except in cases where it is only a *habit* of sleeplessness which has been contracted, and, being interrupted, may be broken by temporary recourse to a perilous artifice, the condition is unrelieved. No matter what suspends the functions of the guard set at the threshold of the reserve, if the residual stock is touched, two consequences ensue—waste and depreciation. It is not work, but "worry," which exposes the reserve of mental energy to loss and injury. Over-work is barely possible, and seldom, if ever, happens, while the mind is acting in the way prescribed by its constitution, and in the normal modes of mental exercise. The moment, however, the natural rhythm of work is broken, and discord ensues, the mind is like an engine with the safety-valve locked, the steam-gauge falsified, the governing apparatus out of gear; a break-down may occur at any instant. The victim of worry is ever on the verge of a catastrophe; if he escape, the marvel is not at his strength of intellect, so much as his good fortune. Worry is disorder, however induced; and disorderly work is abhorred by the laws of nature, which leave it wholly without remedy. The energy employed in industry carried on under this condition is lavished in producing a small result, and speedily exhausted. The reserve comes into play very early in the task, and the faculty of recuperation is speedily arrested. Sometimes loss of appetite announces the cessation of nutrition; otherwise the sense of hunger, present in the system, is for a time preternaturally acute, and marks the fact that the demand is occasioned by loss of power to appropriate, instead of any diminution of supply. The effort to work becomes daily more laborious; the task of fixing the attention grows increasingly difficult; thoughts wander, memory fails, the reasoning power is enfeebled; prejudice, the shade of defunct emotion, or some past persuasion, takes the place of judgment; physical nerve or brain disturbance may supervene, and the crash will then come suddenly, unexpected by on-lookers, perhaps unperceived by the sufferer himself.

"The first practical inference to be deduced from these considerations is that brain-work in the midst of mental worry is carried on in the face of ceaseless peril. Unfortunately, work and worry are so closely connected in daily experience that they cannot be wholly separated. Meanwhile the worry of work—that which grows out of the business in hand—is generally a needless, though not always an avoidable evil. In a large proportion of instances, this description of disorder is due to the lack of education in brain-work. Men and women, with minds capacious and powerful enough, but untrained, attempt feats for which training is indispensable, and being unprepared, they fail. The utilitarian policy of the age is gradually eliminating from the educationary system many of the special processes by which minds used to be developed. This is, in part at least, why cases of sudden collapse are more numerous now than in years gone by. It is not, as vanity suggests, that the brain-work of to-day is so much greater than that exacted from our predecessors, but we are less well prepared for its performance. The treatment of this form of affection, the break-down from the worry of work, must be preventive; the sole remedy is the reversal of a policy which substituted results for processes, knowledge for education. It is a serious cause of discomfiture and sorrow in work that so much of the brain-power expended is necessarily devoted to the removal of extraneous causes of worry. Labour is so fatal to life, because it is so difficult to live. The deadly peril of work in the midst of worry must be confronted, because the disturbing cause can only be got rid of by persistent labour. This is the crux of the difficulty; and in the attempt to cure the evil, the struggling mind finds its fate involved in a vicious circle of morbid reactions. Nevertheless, it is the fact that work in the teeth of worry is fraught with peril, and whenever it can be avoided, it should be, let the sacrifice cost what it may.

"The second deduction must be, that there is no excuse for idleness in the pretence of fear of 'over-work.' There is some reason to apprehend that the attention recently directed to this alleged cause of mental unsoundness has not been free from a mischievous influence on minds only too ready to take refuge in any excuse for inactivity. If the private asylums of the country were searched for the victims of 'over-work,' they would nearly all be found to have fallen a prey to 'worry,' or to that degeneracy which results from lack of purpose in life and steady employment. This is a grave assertion, but it points to an evil it is especially needful to expose. Weak minds drift into dementia with wondrous celerity when they are not carried forward to some goal, it matters little what, by the impulse of a strong motive. The bugbear of 'over-work' is, it may be feared, deterring parents and friends

from enforcing the need of sedulous industry on the young. The pernicious system of 'cram' slays its thousands, because *uneducated*, undeveloped, inelastic intellects are burdened and strained with information adroitly deposited in the memory, as an expert valet packs a portmanteau, with the articles likely to be first wanted on the top. Desultory occupation, mere play with objects of which the true interest is not appreciated, ruins a still larger number; while worry, that bane of brain-work and mental energy, counts its victims by tens of thousands—a holocaust of minds sacrificed to the demon of discord, the foe of happiness, of morality, of success. The enemy takes many shapes, and assumes bewildering disguises. Sometimes he comes in like a flood, hurrying everything before him; with heaps of work to be done in less than adequate time. Now the victim is hurried from task to task with a celerity fatal to sanity. Then he is chained like a galley slave to some uncongenial labour without respite. Again, a buzz of distracting and irritating mental annoyances seem let loose to distress and distract him. Under each and all of these guises it is *worry* that molests, and, unless he be rescued, will ruin him. Meanwhile the miseries of 'over-work,' pure and simple, are few and comparatively insignificant. Those who bewail their infliction most loudly are weak of mind or torpid of brain. Of such lame and maimed mortals we are not now thinking; their lot may be humiliating or pitiable, as their condition is due to neglect or misfortune. But our concern is with the multitude of strong and able workers who fail at their task. These are the victims, not of overwork, but of worry—a foe more treacherous and merciless than all besides. The mind-cure for the malady to which 'worry' gives rise, and from which so many suffer, is not idleness, or 'rest,' in the ordinary sense of that term, but orderly and persistent work. The work by which they have been injured has not been excessive, but bad of its kind, and badly done. The palsied faculties must be strengthened and incited to healthy nutrition by new activity, at first, perhaps, administered in the form of passive mental movement, and then induced by appropriate stimuli applied to the mind."—*The Nineteenth Century*, September, 1881: "Worry" (J. Mortimer Granville).

PERSEVERANCE.

"Drive thy business; let that not drive thee. Sloth makes all things difficult; industry, all easy. Sloth, like rust, consumes faster than labour wears, while the used key is always bright. By diligence and perseverance the mouse ate the cable in two."

> "Plough deep while sluggards sleep,
> And you shall have corn to sell and to reap."

"The eye of the master will do more work than both his hands."

FRANKLIN.

PERSEVERANCE is twin sister to Industry, and means the unflinching pursuit and steady execution of the plan of life determined upon. Burgh makes mention of a merchant who, at first setting out, opened and shut his shop every day for several weeks together without selling anything, yet who, by the force of industry and steady perseverance, rose at last to a handsome fortune; yet, he continues, "many who have had a variety of opportunities for settling themselves comfortably in the world, for want of perseverance and steadiness to carry any scheme to perfection, gradually sink from one degree of wretchedness to another, without the least hope of ever getting above distress and want." There is hardly an employment in life so trifling that will not afford a subsistence if constantly and faithfully followed; so be in earnest, never despair; perseverance will overcome all difficulties. "Extremity is the trial of our spirits and what we are made of."

> "Common chances common men can bear,
> And when the sea is calm, all boats alike
> Show mastership in floating;
> But in the gale of life, and when the adverse winds
> Are wildly raging, then the *good* ship *only*
> Answers nobly to her helm, and can
> Defy the fury of the tempest's wrath."

You must try and try again; perseverance is as well or better than natural talent: the one may not bring success, the other must —"*nil desperandum*," "*perseverando vinces.*" Never lose heart, no matter how heavy the trouble, domestic or otherwise; excessive sad-

ness cannot help any one; you may be depressed at times, almost beat, but need never lose your manhood over any trial. Let it be said of you, "He has done all that could be done," and feel at all times you have done all you were capable of doing: "whatever thy hand findeth to do, do it with all thy might and strength."

Every man has his (to him) the labour of Hercules to perform. Do not think yours is the hardest of all troubles, and when you fail be not too sure there is no fault of your own; examine the matter well, as cause and effect are not always so closely allied that you can at once discover their connection. Employés often think they are discharged for a trivial matter; they put effect to the *wrong* cause. The reason of their being discharged is because the employers are dissatisfied with their general conduct, and the little thing which to them seems the cause is merely the pretext, which, had their general conduct been satisfactory, would have been taken no notice of. Failure has its value if it teaches us our faults; previous success had made us buoyant, conceited, defiant, reckless; the penance is inflicted, our knuckles are rapped, and all genuine souls are better for the reprimand. No man is overwhelmed by adversity unless he has been over-elated by prosperity. Until a man recognizes the kindness of punishments, and begins to see they are inflicted for his own shortcomings, there is very little hope of him.

Success is like the robbers' cavern in "The Forty Thieves;" there is only one key will open it—*perseverance.* Let nothing daunt you, and if really in earnest and resolved to conquer, you must win. Allow no such word as failure: the man who has such an idea in his head does fail. It is a painful fact, but there is no denying it, the mass are the tools of circumstance, lacking perseverance; they are like thistle-down on the breeze, and straw on the river — their course is shaped for them by the currents and eddies of the streams of life.

Youth should never despair, when life is but beginning. Perhaps, while they are lying warm and dark in their cocoons, the butterflies think that life would be bleak without that shelter; yet, see how happily they flutter in the sunshine, when the poor old husk is decayed and forgotten. To the persevering man nothing is difficult; we can do almost anything we make up our minds to do, and resolve on doing, willingly and earnestly. "Unstable in all things, thou shalt not excel." He will never be a faithful painter who is not true to his art, never be a faithful friend without constancy of purpose. Without perseverance, we are as the shifting sand which never bore a noble edifice, or that wandering star of whom the Apostle speaks: "Clouds they are without water, carried about of winds; trees whose fruit withereth, without fruit, twice dead, plucked up by the roots."

Every step in the ladder of life is thronged with climbers ready to reach the next, and although some may be twenty rounds above others, they are as restlessly unhappy in their high position, and as restlessly desirous of getting a foot higher, as those who are so far beneath them. It is the way of the world; the haven is always above us, and we climb, and climb, and climb, and never reach our hopes. As Pope says, "Man never is, but always to be blest." This unsatisfied longing, this insatiable craving for a larger share of the world's goods, is necessary to keep perseverance ever active. Men deficient of this quality cannot fight with the world, or battle with misfortune; the first blow floors them, and they lie helpless, often ascribing their misfortune to God's will, and not making the necessary efforts to rise. On the contrary, those who possess this quality you will find, after every knock-down blow, up again, hurt but not killed, ready to fight again and again, and who, to speak metaphorically, square up at every misfortune with renewed courage and vigour. Such men believe that real merit is certain of eventual recognition, and that few men of real genius are to the last denied the means of turning talents to good account.

Men may be divided into two classes—those who are content to yield to circumstances, and those who aim perseveringly to control the circumstances that surround them. Impatience is a great power; it has extinguished many tyrannies; it is the bitter enemy of injustice. A strong, overmastering force of will to make and keep a place for yourself in the world, is essential to success in business, and such men are the makers of nations. Trace our history, analyze her troublous periods, and you will find it was the Cromwell type of men, with their fortitude, force of will, discipline, and devotion to duty, who carried her successfully, not only through her trials, but to a higher position. Success in any real thing can only be achieved by the strong, persistent will, allied with cool brain and true courage.

Cities fall, and kingdoms perish. Whatever has a beginning in this world must have an end. Man and his works are perpetually going through those phases of existence which lead to seeming annihilation. In every existence there is a moment when it reaches the maximum of its power. So it is with businesses as with nations; they come into existence, rise, decline, and pass away. Great means of action and great freedom of action make the opportunities of great men. Great men do, indeed, show themselves, though their means are limited and their freedom hampered; but when they have a free field and ample materials, with what effect can they demonstrate their genius!

It is the still waters that stagnate and corrupt, for even a puddle

is better for a storm. Nothing is so offensive as a weak, milk-and-water pliancy, that seems always yielding and yet never yields. Self-will, rightly guided, is an element of strength; it means perseveringly to keep one's ground, and to maintain one's opinion. How often you hear people say, they have tried this and tried that to escape from their troubles—idleness, change of scene, and what not. "Let it bide," as they say in Cornwall; why should you get rid of it? Don't try anything. Idleness is worst of all; there is nothing like fighting our troubles, and perseveringly overcoming them. "What," says dear old Tom Brown, "would life be without fighting—enemies to be knocked on the head, pulled up by the roots, in himself or out of himself, who won't let him live his life in peace till he has thrashed them?" Luckily, it is not all sunshine for any of us, more than it is always a dead calm at sea, without a wave or a ripple. A pretty state of stagnation the world would be in before the end of a month if everything settled down into unbroken smoothness and quiet, and we all took to lying on our backs and feeding on honey-comb!

No, no; luckily for us, comes the sharp north-easter o'er the German Ocean to wake us from the drone's life, and make us remember there are such things as stings in existence. The old proverb, "Sweet are the uses of adversity," is a mistake; it should be "Sour, but wholesome, are the uses of adversity." But always let the past be past; forgotten perhaps it can never be, but it is wise to bury it. Our business is to live in the present, and remember only the past for its lessons, how to act for the future. You cannot get rid of trouble if you traverse the face of the earth; but, by steady perseverance, you may learn to bear it bravely, and live it down. What you may have lost, can never be replaced; but there is yet a whole chapter in your life to be lived, and you must live this; if you fail, try again. Never say or allow it to be said, without correcting the speaker, "If I had been this, that, or the other, matters would have been different." Might have been! "Might have been" often recurs to us when we think of seeming possibilities, which these three little words hide from us. But it is not the trade that makes success or failure. Know yourself, especially your own weaknesses; correct and master the defects in your character. We may not be able to eradicate any special failing in our organization, mentally or bodily, but we can and should support the same by carefully training those other parts that by their strength will help and control the weaker. Be self-reliant, and do not trust to others for help or advice; have self-confidence and perseverance; when in trouble, bend to the storm, and remember that, although for every individual who is mellowed and softened by adversity, there may be ten

whom prosperity would mollify and bring to perfection, the latter process of development is more difficult to attain to. The great thing is never to be discouraged; never give way because things go wrong, or because you meet with disappointments; our life is compassed round with necessity, yet is the meaning of life itself no other than freedom, than voluntary force. Thus have we a warfare, in the beginning, especially a hard-fought battle; but Carlyle well reminds us that the God-given mandate, "Work thou in well-doing," lies mysteriously written in Promethean prophetic characters in our hearts, and leaves us no rest, night or day, till it be deciphered and obeyed—till it bear forth in our conduct a visible gospel of freedom. And, as the clay-given mandate, "Eat thou, and be filled," at the same time persuasively proclaims itself through every nerve, must not there be a confusion, a contest, before the better influence can become the upper? We all have temptations to overcome in this populous moral desert of selfishness and baseness; happy is the man who conquers the weaker part of his nature, and allows the better to rule his actions. Poor, wandering, wayward man, tired and beaten with stripes ever, whether thou bear the royal mantle or the beggar's gabardine, art thou not so weary, so heavy laden? and thy bed of rest is but a grave—man with his so mad wants and so mean endeavours. Man's unhappiness, as I construe, comes of his greatness; it is because there is an infinite in him, which, with all his cunning, he cannot quite bury under the finite. Will the whole finance ministers and upholsterers and confectioners of modern Europe undertake in joint stock company to make one shoeblack happy? They cannot accomplish it above an hour or two, for the shoeblack also has a soul quite other than his stomach, and would require, if you consider it, for his permanent satisfaction simply the allotment, no more and no less, of "God's infinite universe altogether to himself, therein to enjoy infinity, and fill every wish as fast as it rose. Oceans of Hockheim, a throat like that of Ophiuchus; speak not of them, to the infinite shoeblack they are as nothing. No sooner is your ocean filled than he grumbles that it might have been of better vintage. Try him with half of a universe of an omnipotence, he sets to quarrelling with the proprietors of the other half, and declares himself the most maltreated of men. Always there is a black spot in our sunshine; it is even as I said, the shadow of ourselves." So writes Carlyle, and rightly too. What should we be without industry and perseverance, and the hopefulness allied thereto?

"Hope, like the glimmering taper's light,
Adorns and cheers the way,
And still, as darker grows the night,
Emits a brighter ray."

We think too much of the end, and overlook the greater pleasures there are to us in perseveringly and persistently struggling thereto. Having attained success, we find the greatest happiness was in its realization; and in possession of success, our greatest happiness then consists in fighting over again the battles, self-denials, and struggles which resulted in its attainment.

Carlyle says of happiness, that our view is somewhat this: "By certain valuations and averages, of our own striking, we come upon some sort of terrestrial lot. This we fancy belongs to us by nature, and of indefeasible right. It is simple payment of our wages, of our deserts, requiring neither thanks nor complaints. Only such overplus as there may be do we account happiness; any deficit, again, is misery. Now, consider that we have the valuation of our own deserts ourselves, and what a fund of self-conceit there is in each of us! Do you wonder that the balance should so often drop the wrong way, and many a blockhead say, 'See thou what a payment! Was ever worthy gentleman so used?' I tell thee, blockhead, it all comes of thy vanity— of what thou fanciest these same deserts of thine to be. The world is a struggle of this sort. Fellow, see, thou art taking more than thy share of happiness in the world—something from my share, which, by the heavens, thou shalt not! Nay, I will fight thee rather!"

Reflect well on this powerful writer's remarks. They are peculiar, but there is truth at the bottom of them, and may convince some of my readers of the worthlessness of the dross so many sell their better natures for. Incessant, earnest perseverance is needed in watching every action of our daily life to see we do not forget the laws of *meum* and *tuum*. By perseverance there is no difficulty in making one's life successful, in the worldly sense of the term; but the greatest circumspection and perseverance is needed in properly directing our conduct, so that we "do to others as we would be done by;" and, when we have to decide how to act towards another, "putting ourselves into that other's place"—a simple and sure plan of doing for him as we would, similarly situated, wish that he should do to us. If your life's record shows the attainment of this frame of mind as the result of its struggles, you will be amply repaid; if with well-filled coffers also, so be it; but with the wealth of Crœsus, without it your life will have been a failure. You will still have as your master the insatiable craving for more; that ever-gnawing tiger of desire within you it is utterly impossible to satisfy.

Before decision or action, reflect well; and, having decided, remember conviction is worthless till it manifests itself in your conduct. Do thoroughly the duty which liest nearest to thee. Work

perseveringly, as doubt of any kind can only be removed by action. Produce, produce! were it but the pitifullest, infinitesimal fraction of a product, produce it in God's name. 'Tis the utmost thou hast in thee? out with it then! Up, up! "whatsoever thy hand findeth to do, do it with thy whole might." "Work while it is called to-day, for the night cometh wherein no man can work." Work in well-doing. Do not say you have no tools. Why, there is not a man, or a thing, now alive but has tools. The basest of created animalcules, the spider itself, has a spinning jenny, and warping mill, and power loom within its head. Every being that can live can do something. This let him do. Tools! Hast thou not a brain, furnished, furnishable with some glimmerings of light, and three fingers to hold a pen withal? Never, since Aaron's rod went out of practice, or even before it, was there such a wonder-working tool. Greater than all recorded miracles have been performed by the pen.

What do we not owe to the pen and printing press? Literature may be regarded as a noble interpreter between naturally opposing spheres of life and in sanctifying and elevating the past. It brings before our notice instances of noble self-denial, and asserts the dignity of mankind, demonstrating often that rank is but the guinea stamp, and proving, by examples from life, everything is possible to perseverance and self-reliance, allied with caution, prudence, and self-control. It takes and keeps alive within us a full-hearted interest in the main currents of life and opinion, a ready sympathy for all that is strong and genuine in individual character, and a willingness to serve the weak and suffering, and to make it evident to those who, because of their elevated position, are not *en rapport* with the baser conditions amid which they live, that their true interest is bound up in the elevation of all—at least, to a level where intelligent obedience to law is possible for them. Such an interest as this it is one of the main elements of literature, and should be of every one, according to his power, to awaken and to sustain. The drama and novels, also, have their value, especially to business men, who have to stifle their sympathy during the day, in drawing attention to the suffering of others, and making us grieve; even if it be fictitious distress, it must humanize, soften, and purify the soul.

Science, which may be considered as man's battle with the mighty unknown, teaches us to persevere and prosper. *Perseverando vinces.* "Things become possible when they seem to be possible." Life is so healthful that it even finds nourishment in death. There are stern experiences planted down by memory in every imagination, sad but beautiful, which should teach us to look upon the pains and penalties of tyrannous life placidly enough, and listen to its loudest threaten-

ings with a still smile. Thus from poverty do the strong by perseverance educe nobler wealth, and from destitution and necessity is acquired the highest of all possessions, that of self-help.

Having our living to seek and obtain is one of our best inheritances, flying with hunger always parallel to us, till the countenance of hunger becomes to us as a friend. Passivity, however excellent, is useless here, the one thing needful being persevering, useful, reasonable activity. Man is, properly speaking, based upon hope; this world of his is emphatically the place for hope, full of religion or religiosity, yet wholly irreligious. Doubt has darkened it into unbelief; we run after the shadow in form and ceremony, instead of the substance by acts. Faith is the one thing needful; with it martyrs, otherwise weak, have cheerfully endured shame and the cross, whilst without it worldlings put out their sickly existence by suicide in the midst of luxury.

To stimulate perseverance, we require the spur of duty, not made up of desire and fear, but one inciting us only to persistently struggle after that happiness an approving conscience alone can yield. I can give you no better advice than to persevere in doing your duty, whatever your position may be, high or low, ever actuated by the highest motives, in spite of all other motive-guiders and mechanical profit-and-loss philosophers. To all of us these lines are applicable, and should be ever present—

"Ha! take heed;
Perhaps thou dost but try me; yet take heed."

There is nought so monstrous but the mind of man in some conditions may be brought to approve; theft, sacrilege, treason, parricide, when flattering opportunity enticed and desperation drove, have been committed by those *who once would start to hear them named.*

Perseverance is required more in this respect than any other—watching our own consciences, and resisting every tendency to deviate from the plain, straight path. We must all of us have known men who have gradually drifted away; for as drunkards have at some time been only moderate drinkers, until the desire has become their master, so our consciences, unless perseveringly watched and kept active, lose their controlling influence, and the inclination to acquire becomes so strong, we are unable to resist temptations when offered, although by yielding thereto we have to sacrifice our own self-respect and the claims of friendship or kindred.

Mankind are all fallible and feeble, and there is no greater misery than being cognizant of our own weakness. The man who lapses from the strict path of rectitude is to be pitied, let his seeming gain thereby

be ever so great; from the day he succumbs to temptation, he inwardly curses his own want of perseverance in not having struggled more earnestly against the tempter, and is punished by a life-long remorse. The test of our strength for good or ill is how we stand fire. Between vague wavering capability and fixed indubitable performance what a contrast there is! "Know thyself," should be explained as meaning to "know what thou canst work at and do," what thou canst easily overcome, or must, unless regulated and controlled, yield to. We all have certain faculties and a certain worth, and have all received certain talents; let us persevere and use what we have to the very utmost, spite of all buffetings, patiently enduring our sufferings, whatsoever they may be. Look trouble in the face, meet it, defy it; always be actuated by a single sense of duty—seeing the inutility of looking backwards, the policy of always looking forwards and using the present for the future. Humility and persevering steadfastness are the best armour we can wear, and thereby gain strength and rise above fear and whining sorrow.

Man's perseverance is seen in our roadways, tilled fields, bridges, railways, cities—our accumulated agricultural, metallurgic, and manufacturing skill—our stock of handicraft, and the power we have acquired over and in manipulating nature. Not less our books. Wondrous indeed is the virtue and power of a good book; not like a dead city of stones, yearly crumbling, yearly needing repair, but, like a spiritual tree, it starts from year to year, from age to age, if it possesses the talismanic power all real good books should possess of persuading and influencing men.

"A hint of Hamlet teaches us all," says Tyndall, "how the troubles of common life may be ended; and it is perfectly possible for us all to purchase intellectual peace at the price of intellectual death. The world is not without refuges of this description, nor is it wanting in persons who seek their shelter and try to persuade others to do the same. I would expect you to refuse such shelter, and to scorn such base repose; to accept, if the choice be forced upon you, commotion before stagnation, the leap of the torrent before the stillness of the swamp: in the one there is, at all events, life, and, therefore, hope; in the other none." The great thing is never to be discouraged; that should be your maxim; never give way because things go wrong, or because you meet with disappointments; and, bear in mind, character, as much as special ability, will mark you out from others, and lead to your ultimate success in what you have to do. Be content with the present, yet always preparing and aiming at a brighter and better future. Be of that band (Wordsworth's "Happy Warriors")

"Whose high endeavours are an inward light,
That makes the path before them always bright;
Who, with a natural instinct to discern
What knowledge can perform, and, diligent to learn,
Abide by this resolve, and stop not there,
But make their moral being their prime care;
Who, doomed to go in company with pain,
And fear, and bloodshed—miserable train—
Turn their necessity to glorious gain."

"Honour and shame from no condition rise:
Act well your part; there all the honour lies."

POPE.

Such men as Bishop Patteson, Charles Knight, Robert Chambers, &c., are the real social reformers of their time, using every fresh addition to their influence in conciliating the various classes of society, and demonstrating by their own rise in the social scale the possibility of a rise for any honest, hard-working man who chooses to use as faithfully and as perseveringly the same means whereby they succeeded.

Of men like Charles Knight, it may be truly said they are builders and restorers of humanity. He was a patient worker upon scattered, doubtful material, yet always turning out from the heap a compact and serviceable whole. In this lies the rare gift of such men, though full of schemes, never at a loss for expedients, always ready in seeing what had best be done in any emergency; they are never over-ridden by ideas; the practical and the ideal possess their mind at the same time, and there is no contention for superiority. They combine something of the enthusiast with the calm, tempered wisdom of the man of business and of the world, having large faith at once in the high possibilities of man and in the grace of God, with tender hearts, large charity, and child-like hopefulness. They hold lofty views of their calling, and are steadfast in keeping their minds and hands pure, and, once having seriously entertained an idea, they hold to it with a persevering tenacity which nothing can shake or overcome. Reader, persevere, and try to imitate such men as far as your capabilities and character will admit of; when you foresee a struggle, be first in the field; there may be, will be, in your life fierce opposition to be encountered, innumerable temptations and difficulties to be overcome; therefore the sooner the opposition is combated, and the temptations and difficulties are faced, the better. Measure yourself against the obstacles, and have the moral gallantry to face them. Ever persevere, and strive to be as good and pure as your nature will allow; resolutely keep the better part of you uppermost; never despair. Remember,

"Hope is the motive power of existence, always hope.
Hope is the fire that the free thinker stole!
Hope is the breath of man's immortal soul!"

For perseverance Robert Chambers has perhaps no equal. His brother, Dr. William Chambers, in the sketch of his life, gives the following anecdote as an illustration of his character to persevere. In the year 1824 there was commenced, in the town of Dysart, a library under the designation of the Trades' Library. In those days books were not to be purchased at anything like the prices of the present time, and as the sum at the disposal of the committee was limited, it was resolved that second-hand books were to be procured with which to start. For the purpose of making a suitable selection, a few gentlemen proceeded to Edinburgh. At the head of Leith Walk, the late Dr Robert Chambers had commenced business in a small way, and, like many others who afterwards became heads of great publishing houses, did not disdain to deal in second-hand books. One of the books selected was a volume entitled "Travels in Italy," by John Moore, M.D. In the centre of the book, however, it was discovered that four leaves were missing, which rendered it unsaleable. Determined to effect a sale, Chambers told them that if they took it he would make it complete. And neatly, too, he did it: with a crow-quill he printed the eight pages, and re-bound the book. The printing is quite as easily read as the rest of the text; and the whole transaction is a good example of that characteristic energy of purpose and indomitable perseverance which enabled him, along with his brother, to found the best publishing and printing concern of to-day. When the Chamberses went to Edinburgh in 1813, the world looked very hard at them; the father found people too sharp for him. If it had not been for the patient, discreet tact of the mother—eternal honour to her—the family would assuredly have gone down. She planned, she pinched, she yielded wisely to the inevitable, saved and worked, but kept them all respectable. William began life as a bookseller's apprentice, at four shillings a week. "From necessity, no less than choice, I resolved," he says, "at all hazards to make the weekly four shillings serve for everything, and I cannot remember the slightest despondency on the subject." Of an evening, not being able to afford candles, he used to read by the kitchen fire. He paid one and sixpence a week for his bed and privilege of sitting by the fire. In the evenings he used to haunt the book auctions held at night in Edinburgh, and by this means extended his knowledge of books. "The charge," he says, "made for my accommodation in these quarters left some scope for financiering as regards the remaining part of my wages. It was a keen struggle, but, like

Franklin, whose autobiography I had read with avidity, I faced it with all proper resolution." His contrivances to make both ends meet were in some degree amusing. "As a final achievement in the art of cheap living, I was able," he says, "to make an outlay of one and ninepence suffice for the week." This left him ninepence weekly for miscellaneous demands, chiefly, he says, in the department of shoes, which constituted an awkwardly heavy item. Robert, when old enough, went to live with his brother. His lameness and literary turn of mind made him more susceptible to the misery of their surroundings. He says: "I have often sat beside the kitchen fire—if fire it could be called, which was only a little heap of embers —reading Horace, or conning my dictionary, by a light which required me to hold the book almost close to the grate." He soon got some private teaching; this, and William's wonderful self-denial and economy, kept them on for a time. He then went into a counting-house at Leith,—in spite of his lameness, walking to and from Joppa, a distance of ten miles a day; but after a few months it became evident that something else must be done, when William suggested to him to become a bookseller. All the old books about the house were looked out and overhauled, and these, together with his school books, formed his first small stock-in-trade. William's apprenticeship in that same year came to a close, and resolving to begin business also, a shop was taken, not far from Robert's, in Leith Walk. His intelligence and industry had made a favourable impression on book agents and others, who were willing to trust him to a small extent, and he met with customers who were anxious to do him a good turn. He recalls the picture of his first setting-up of his book-stall thus: "Picture me on a fine sunny morning planting a pair of trestles on the broad sideway, in front of my little shop, then laying on them a board, and, last of all, carrying out my stock of books, and arranging them in three rows, the smaller volumes in front and the larger ones behind, with pamphlets embellished with plates stuck alluringly between." Selling as cheaply as possible, the profits were not great; but the two brothers lived frugally together. "Our united daily expenses in housekeeping," says William, "did not exceed a shilling for years after beginning business. The cost of my living was limited to sixpence a day, and all that was over I laid out in adding to my stock." They made wonderful progress; but their foolish father still brought trouble on them, and his stupid law pleas swept away from them on one occasion the hardly-earned savings of years. Only real bravery and determination bore them up. In 1832 they started *Chambers's Edinburgh Journal*, which has made their name so famous, and has so ably kept its place in face of

all the competition that has been brought against it for over forty years. Like other men who have been the architects of their own fortunes, their ultimate success may be traced to the fact that after the first great success they did not at once materially increase their personal expenditure. All that was gained by them for a long time was thrown into the common capital and working plant, with the smallest possible deduction that could be done with. There is nothing a man should feel more proud in, as it is the rock on which many who began as well, and had as fair prospects, have split; and I cannot give you a better example of how to make money, and what to do with it, than is to be found in the lives of William and Robert Chambers.

Such workers are national benefactors. They testified their love for their native place by their gift of the Chambers's Institute to the people of Peebles; and at the same time took the best means of educing that love of reading and mental improvement by which they themselves rose from penury to position and wealth; and the Institute is thus, in several senses, the best possible testimony to that intelligent and indefatigable self-help which seeks to lighten the burdens of others even while achieving its own ends. Resolute, clever, knowing the right point to aim at, and going forward calmly, and taking help in the utmost good nature from whatever was available, and never wasting time in whining over adverse circumstances, the Chamberses may well be cited as admirable examples of Scottish self-help; and I cannot wish my readers anything better than that they may be able to follow ever so humbly in the wake of such, in every sense, admirable representative men of "where there is a will there is a way"—men of the highest business capacity and character. Such men keep up our hopes in human nature. If you cannot imitate, try at least henceforth to have the sense of working naturally and with healthy efforts for a purpose, and perseveringly add your strength, be it great or small, to the united struggles of our best men in the interests of mankind.

A young man should climb, not stoop; business should be a ladder, not a pit. It is a mistake to sneer at money, for amongst all its sad losses poverty has none that beggars it more than its loss of perception. Still, the man who sets to work to make a map of human life would not err in putting all the best things outside the money line.

> "Fortune is never worshipped by the wise,
> But she, by fools set up, usurps the skies."

The philosophy of life is to deal splendidly with the events as they happen, to make misfortune imperial with the crown of self-complacency, to distil a kind of essence of dignity out of humiliations,

and diffuse the perfume when other men would try to hide the sordid rubbish in the dustbins of their bosoms. A fall of snow is the very thing a tardy spring wants to free its sealed buds, and soften the heart of nature, and the result is something like that of a gentle sorrow in the soul of a man, or a happy love in a woman's. The majority of lives are too selfish for healthy strength and righteousness of action; so the seeds of death are germinating, and the shock must come, or the extinction.

There is a moral gravitating force as well as a physical one, and the crisis comes to individuals, dynasties, nations, and possibly worlds. After the agony of a new birth, the beauty and the calm may be enjoyed purely and honestly towards God and man. You must be free of subterfuge if the hidden self is to be emancipated. No more of those damning "ifs;" yet, is any man wholly and solely the man he seems to be? We are all actors on the world's busy stage, the successful business man often being the better actor, from having the power of concealing weaknesses those who have failed have not had the tact to hide or control at a critical period of their history. It often happens that a man's temptation, and his punishment also, arises from an excessive desire to reach and hold a higher level than he has power to reach naturally or hold morally, while his sense of the everlasting righteousness makes him shrink from a false estimate of himself and detest, as if it maimed him, the false estimate of others; we can only persevere, and try to read truly and meet faithfully what is required from us. Let us try to understand our position with regard to the abstract righteousness, and then work together without too much selfishness in the relations we bear to each other; only looking back to encourage us to look forward. Such men have the grand souls, the rank of worth so immeasurably superior to that rank which is of the guinea stamp, and it is absurd and wrong to say of such men they would not have been what they are but for this or that. Self-made, selp-helpful men must have been so always, in the highest sense. Circumstances affect such characters very little. There are some in whom may be traced a certain narrowness of mind and vision inseparable from the capacity to do the work they have to do; but, as a rule, these are without pretensions, their sympathies are wide, and always seek practical expression. They have also indomitable will, conscience void of offence, and are straightforward to a fault. Such men should guard against a reserve which is apt to wrap them up too much in their own feelings and affairs, and indisposes them to enter with cheerfulness into the society and concerns of others. They should force themselves to find occupation, if they cannot find pleasure, in the company of their equals, and, with their families, enter

into their innocent amusements and conversations. It is very interesting to observe how much men sometimes owe to influences which at first sight are unfavourable to the development of their natural character. If the strong winds blowing on the tree hinder the rounded perfection of branch and blossom, they help not a little to strengthen the root, and to give a concentrated force of life to the favoured side. The adverse winds do in an irregular way what culture and pruning aim at systematically accomplishing—they give self-dependence. With men it is the same. Sorrow and disappointment are splendid teachers, however reluctantly we may accept their lessons. So persevere, and work on hopefully and cheerfully.

Henry Alford says: "'Tis plod, plod, plod, step by step—dull work; but you can console yourself, while labouring up the hill, on the fine prospect and fresh breeze you will enjoy when you reach the top. Diligence is the only way of acquitting oneself honourably in any station of life; it is what we owe to ourselves and to Him who gave us our capacity and talent."

Strive earnestly after "the contented mind." Put a limit to your desires, whether they be large or small. There are such differences in what gives content to different persons, one cannot define what will satisfy any one; but as to the wisdom of limiting our desires within the range of possibilities, and striving after peace of mind, freedom from unnecessary cares and anxieties, and valuing at its true worth mere worldly success, there cannot be two opinions. We should base our happiness more on prudent determination and moderate desires, a sound and well-regulated mind, and a disposition not apt to be angered either by men or by the accidents of life, but which, on the contrary, accepts them with a good will, takes just views of all things, and turns them to good account.

The Scotch have a proverb, "Burnt bairns dread the fire;" and all experience tends to prove there is nothing equal to suffering for enlightening the giddy brain, widening the narrow mind, or improving the timid heart. The majority of people are shallow more from want of attention than from want of head. They seldom really or perseveringly study anything, but carry with them through life the bad habit of skimming they are taught first at school; but once let their hearts or necessities compel their brains to think, and, with a fair modicum of perseverance, it is surprising what they can do. The lessons of life often seem bitter and hard, but so are bark and steel; yet they are good medicines, often needed, and do us good service. By perseverance in all our troubles we may be men, bold as men should be; defiant of, and rising superior to, the troubles and anxieties that will come to all of us, as sure as the sun rises and sets. So learn

to bow your head to the inevitable, as every sensible person does, and accept your destiny, which will come to you all the same whether you resign yourself to it or not.

It is hard to fight one's way up, to make a fortune out of nothing by way of beginning. Still, men have done it, nay, do it daily; and it is to be done by perseveringly bearing patiently rebukes for inexperience until we gain wisdom from experience; discarding people's motives when they carp and criticise, but profiting by their hints and objections. I am a great admirer of those who succeed and fight their way up from poverty. It is not all who can survive or undergo the scant fare and hard work necessary to success; but those who survive the struggle will admit their distinguished career in after life is largely to be attributed to the sharp discipline they then had to undergo. Every man should strive to better his position, but he must have the talent to climb, and the power to sustain himself when he is there. It is not the efficient and industrious part of the population who keep up this constant turmoil of dissatisfaction between the employers and employed; they are content to do the best in their station, as others do in theirs. It is the rough, idle, unworking part of the community who are always clamouring for what they have not got, but have not the steady industry and perseverance to obtain. These are the people agitators truckle to, and feed with false promises, and flatter with false words; and, unfortunately, the mass are ignorant enough to believe them, whilst many others are indolent and unprincipled, and quite willing to attempt anything likely to give them another's profit without their having to work for it. It is a pity they fail to see the inutility of talking of discontent. Many would find fault if their lot were cast in a palace; but the brave, successful spirits are hopeful and persevering, and fight through the troubles of life, surrounded by privations which would rouse the others' scorn. Every one has cares, but rewards also. The conduct of a business is like the management of a good ship, of which it is dangerous, but honourable, to be the captain. It is a hard life, but the true sailor does not care for the shore, nor the true merchant for the *laissez-faire* principle. Without opposition there would be less power of improvement. Opposition is a necessity; without it life would be insupportable; it gives the glow and variety needful to existence. Look at a Devonshire brook. If it were not for the lumps of granite, to fight and struggle and foam against, the water would grow dull from mere sluggishness; instead of which, it gets rid of weeds and other stray visitors, and fights and dashes itself against the stones, and comes out brighter and clearer than the foam. So it is with men. Trouble and care strengthens, softens, and purifies the character. The Jews have set

their mark on every civilized nation, and have contributed much towards the advancement of most European countries. The industry and perseverance of the Jews are an example and incentive to all people. There is nothing like emulation for opening a man's eyes to his own deficiencies, and calling forth whatever capabilities he may be endowed with.

Success arises from directness of purpose. You should be like a granite obelisk, cold and impervious to prosperity or adversity. It is the heedlessness of every disturbing influence that helps to make up a man, which worms into the life, like the dry rot in old oak. To get wealth, power, or fame, it is necessary to persevere with an eager, unquenchable avidity; "without haste, without rest," must be your motto. Never be in a hurry; even while striving for success, you are more likely to succeed by having the air of a man who has succeeded. Submission is a distasteful word, but there are times in every life when we not only show the highest wisdom, but the truest courage, in acting as though we were beaten. No man should be ashamed of yielding when the contrary course would show obstinacy rather than heroism. As a rule, we need not fear anything that we look in the face; troubles and difficulties diminish considerably if boldly met. It is important to begin the world with a definite aim, and to remember in life some of the people we daily meet may be useful to us sooner or later. It is wise to be reticent about one's affairs; very few can afford to seem poor. Always remembering by perseverance everything will come to him who waits, you must not belong to those who say, "Only for that, and I could." "I could; ah! what could I not have done?" So people say, and forget that all men and women whose lives have been spoilt by their own mistakes take a sort of spurious comfort in imagining that if everything had been efficient in what they suppose to be the arrangements of Providence, their own lives would have been finer and nobler. They will not see and believe that their own strength or weakness has more to do with failure or success than any other element in their lives. You must believe "if" to be a detestable word, a "will-o'-the-wisp," deceitful, misleading, and destructive of all moral courage and all hope. The man who fails cries, "If so-and-so had happened, I should have been all right;" but the true man casts the thought from him, works and arranges, and tries again and again. No man fond of using the word "if" has, or ever will succeed in life. Business is a race admitting of no pause. No firm can flourish long simply on the reputation of its antecedents; the changing wishes and the wants of customers have to be met, nay, anticipated, and there is no more fatal error than thinking your goods are cheap and good enough, as, however good or cheap they may be, to make or keep a trade requires

the conviction of the necessity of always being on the alert, according to the nature of your trade, of selling better styles or cheaper goods than your competitors, and also of creating in the minds of your customers a feeling that, from a sense of duty on your part, their orders will be conscientiously executed, and their instructions followed to the letter. A life devoted to attaining such a reputation is assuredly a life well spent. Though such a result is somewhat rare, there can be, whether for merchant or tradesman, no higher satisfaction. My belief is, and always has been, if we deserve it, success will follow. The world remarks, "He is a lucky fellow; one of those chances occurred to him, and his fortune was made." Do not be led away by any remark of this kind; the man succeeds because of one of those so-called chances that come to those people who have been working perseveringly and unremittingly all their lives to bring a certain result to pass. Perseverance will get you through troubles. It is better, however, to avoid difficulties: the greatest arise from overbuying and careless buying; the former ruins many, whilst the latter causes half the failures. "A thing well bought is half sold," and an article added to the stock needlessly loses you in depreciation and loss of interest more than the apparent gain. "Never buy what you do not want, or more than you want."

Another point is, never to undervalue or depreciate an opponent; there can be no greater error. Be apprehensive of danger from all, but resolute in overcoming them. We are apt to envy the sanguine men at times, but it is a dangerous temperament for commanders or employers. Hope is a very pleasant companion, but prudence and caution are the wise counsellors. No one needs perseverance more than the man who knows he has a tendency to look at the bright side of things. He should be always on his guard, and careful in his calculations; *figures* are the things to take the fallacies out of our minds, for there is no getting over facts.

Decision of character, however, is very important; the man who is perpetually hesitating which of two things he shall do first, will do neither. But before anything of importance is done, you must first consult wisely, then resolve quickly, and execute your purpose with inflexible perseverance, undismayed by petty difficulties which daunt weaker spirits. To one and all I say, "Persevere;" but be of those who are

> "Thrice happy if they know
> Their happiness, and *persevere* upright."
>
> MILTON.

ARRANGEMENT.

"Order is Heaven's first law."

POPE.

"Order gave each thing view."

SHAKSPERE.

"Not chaos-like, together crush'd and bruis'd,
But, as the world, harmoniously confus'd,
Where order in variety we see,
And where, though all things differ, all agree."

POPE.

ARRANGEMENT means doing things methodically; it digests the matter that industry collects; it is a habit saving time to all, and without which no business of any size could be carried on. It apportions time to duties; never trusts to memory. Diaries and indexed memorandum books are cheap and invaluable. Arrangement keeps, by means of books, an exact registry of every transaction; it has a post for every man, knows what every man does, a place for every tool, a pigeon-hole for every paper; it keeps all books posted up, by which you are cognizant of what you are doing and have to do, and enabling you to send out your accounts to time. Many men lose credit and their good name, and cause their ultimate ruin, by carelessness in posting up their books, by not sending in *all* accounts monthly or quarterly, and in not watching to see bills are paid when due. False pride too often stops a man asking for money. No man need be ashamed of asking for his own. It is the debtor who does not pay without being asked who should be ashamed; but the creditor who, from fear or any other reason, does not ask for and get his money, is much to blame. It is the *unbusiness-like* conduct of men of business which has caused so much laxity in our views of those who now systematically anticipate their salary, dividends, rents, &c., and divide the same with their tradesmen. Men who never settle up should be avoided, no matter what their position; they only maintain it by paying on account, which means getting deeper and deeper into debt.

"Everything is bought with a price," and dearly bought is the experience of want of method in the conduct of a business. No matter

how small the trade, every tradesman should keep a record of his transactions. His system of "book-keeping" should be such as will explain to himself, or any one else, what trade he does, the gross profit, expenses, and net profit. A counting-house is the business man's college; it is there that he will learn order, method, obedience, the value of time, and the value of money. Book-keeping is no mystery; it is simply a methodical record of the day's transactions, and the art is easily acquired by the usual price of education—"vigilance and labour." I had had no counting-house experience, knew nothing of book-keeping, but found no difficulty in keeping my books with single entry, and when the business got large, and clerks were required, then introduced double entry. You have simply to enter down in a day-book particulars of the sales of the day, posting the total to the debit of each customer in the ledger; making out your statements, and sending them out regularly to the customers; crediting the money as paid in in the cash-book, and posting from the cash-book to the credit of each customer in the ledger; pay *all* money received into the bank, the total paid in thus showing what you receive by day, week, month, or year, and corresponding with cash-book total; keeping an invoice-book, and total of goods bought every week, posting the invoices into the bought ledger; go through the same on a fixed day every month; make out a list of what you have to pay, and every week posting to the different accounts the sums you have paid; keep a book, and debit bankers with what you pay in, and credit them with what you draw out; get pass-book every Saturday, and see banker's balance corresponds with your own; begin the week, knowing the balance you have at the bank; draw a petty cash cheque to begin with, pay all petty expenses during the week out of it, then draw a cheque for the sum expended, and pay back to petty cash clerk what he has spent, and debit each item of expense, as trade, house, wages, &c. No matter how trifling your affairs, begin business in a methodical way; know total of what you sell, and what you buy weekly—what cash you receive and spend; balance your banker's book, and dissect and post each item of expenditure. Never omit taking stock once a year; you are well repaid for the trouble by finding out stock and debts that had been overlooked, items of expenditure that have increased out of proportion to the increased trade, your own general expenditure, which is probably increasing faster than your income justifies. Every prudent man who is engaged in business of any kind, besides paying careful attention to that business from day to day, will also set aside certain stated times for looking over his accounts and examining the whole state of the concern he is carrying on. He will do this probably once a week, certainly once a month, and more fully and thoroughly once a

year. On the first of every month a tradesman should know what he owed, what he bought and sold, and what his expenses were for the same month the preceding year; and you cannot be too methodical in knowing what you have to pay as soon as possible each month, and calculating and arranging how to pay it. Pay-day should be seen a long way off; even when buying, if you want any concessions in time, *this is the time to ask for it*, as having bought on certain terms, you are bound, at any sacrifice, to fulfil the contract. By not trusting to chance, but relying on arrangement, which will keep you well posted up as to how your affairs stand, you will succeed, and be prepared when the time comes.

Method is of great service in serving a customer; it saves the time of buyer and seller. If samples or stock be properly arranged, you bring before your customer articles he would not otherwise see; but the great value to the seller is in the enhanced value of each article submitted, if the same be skilfully blended so as to form an uniform, harmonious whole, instead of looking like a lot of "odds and ends." You can tell if "arrangement" be the ruling power by the way a window is set out, or how a traveller submits his samples; or a salesman puts before you the goods you have asked to look at, if the stock be methodically arranged. Method is a great help in effecting a sale; you cannot be too careful in arranging and blending styles and colours, and so arranging that one colour does not spoil another. How different the appearance of silks, if nicely puffed and carefully laid out on the counter, to when carelessly laid one on the other! You should commence cautiously, until quite certain what the buyer wants, showing price under, then a good assortment, but not too many of the price required, the variety depending upon the purchasing power of the customer. Failing this power to adapt themselves to customers, sellers resort to "pushing," which, in the majority of cases, is quite unnecessary if care has been taken to ascertain what a customer requires, and tact and judgment have been exercised in submitting the same. Taking trouble to please is very different to pushing an article; unpleasant persistence makes a buyer suspicious of the seller; as a rule, it implies an eagerness to sell, rather than to pleasantly supply what is wanted. By judiciously submitting a good selection of what a buyer requires, we make a good impression —one that will cause the buyer to come again; by pushing or boring him to buy what you offer, you may stop his coming another time. At every house some customers like to be served by certain salesmen; the reason will be found to be that it is because they get from such salesmen most readily what they require; they will tell you "Mr. A. knows what I want;" and this preference is a great compliment, as it

implies the art of knowing what a buyer wants, and submitting the same without loss of time. A most important point is for the customer to go away fully satisfied. "How to wait on a customer" is a nice art, worthy of careful study; but the finishing stroke is in parting with him; only a little something, the way you thank him, or hand him his parcel, or offer to send it for him, or say "Good day" as you courteously open the door and bow him out,—there is a something done that leaves that favourable impression, that when wanting goods you sell, he will call and buy of you in preference to others.

Every employé should know as quickly as possible the ruling motive of the employer he is serving. What he is told to do he should at once do willingly; nothing is worse than going hesitatingly to serve a customer. Neglect of recognized rules interferes with the comfort of employés and buyers. For want of arrangement, all is bustle and excitement—young men asking each other questions, counters in confusion, customers annoyed; by a proper system and observance thereof, all things would go on smoothly, and the assistant devote his whole energies to pleasing his customer, who then buys pleasantly and readily. What is needed is concentration, not trying to do a lot of things at once, but one thing at a time, then at once thinking what is next to be done. By this simple course, a good day's work is the result.

Carlyle says: "Man is a tool-using animal; weak in himself, and of small stature, he stands insecure enough, feeblest of bipeds; nevertheless, he can use tools, can devise tools: with these, the granite mountain melts into dust before him, he kneads glowing iron as if it were soft paste, makes the sea his highway, wind and fire his unwearying steeds,—all through intelligent tools. Without tools, he is nothing; if he uses his intelligence consistently with tools, he is all." No matter what you are, employer or employed, in business or out of it, arrangement simplifies the execution of anything that has to be done: by it a business, no matter how large, will go on as smoothly and regularly as a well-constructed machine; without it, all is confusion and disorder. Successful men possess the great gift of a methodical, well-balanced, arranging mind; they are men who cannot work in disorder, but will have things straight, and know all the details, which enables them so to arrange the machinery of their affairs that they are fully cognizant alike of its strength, weakness, and capability, and they judiciously and discreetly exercise all its power to the uttermost.

There should be a definite system of arrangement in every house, large or small, and the same should be printed and given to every one

in the house. This method not only makes all equally conversant with the routine and wishes of the employer, but saves much time in asking questions as to how this or that is to be done. Economy of time and labour and the minimizing of waste are of the utmost importance, and must be studied thoroughly by every business man who wants to make or keep a trade, now that labour, &c., are so dear and competition so keen. The place should always look orderly; shops cannot be too well swept; they should be cleaned as often as possible; windows, gas-fittings, front, &c., should look bright and clean; and all counters should be clear, and goods in their proper places ready for use.

In the agricultural world proper arrangements are essential to our very existence; we must anticipate to-morrow, or die of starvation. Nature has wisely arranged that the craving of hunger shall urge us on; its nature is prompt, and must be satisfied; so we ought to arrange that all the young shall be trained to something specific, and in a little time, with proper care and attention, all may be moulded into craftsmen of more or less capacity and skill, and thenceforth all should work with as little waste of capability as may be, avoiding the worst waste, that of time. As regards the value of arrangement, Carlyle says: "Napoleon may be ranked as a divine missionary, though unconscious of it; but his life exemplified, more fully than if he had preached it through his throat, that great doctrine, '*La carrière ouverte aux talens*' (the tools to him that can handle them), which is an ultimate political evangel wherein alone can liberty lie. Madly enough he preached, it is true, as enthusiasts and first missionaries are wont, yet as articulately, perhaps, as the case admitted. The same with the American backwoodsman, who had to free unpenetrated forests and battle with innumerable wolves, and did not entirely forbear strong liquor, rioting, and even theft; whom notwithstanding, the peaceful sower will follow, and as he cuts the boundless harvest, bless. Tools, gunpowder knowing how to use makes all men tall; it is the victory of brains over physical force; nay, if thou be cooler, cleverer than I, if thou had more mind, more especially a methodical arranging mind, though you have all but no *body* whatever, then canst thou kill me or conquer me, and art really the taller, better man."

This reminds us of Dr. Watts' famous reply to a gentleman who foolishly ridiculed him upon the smallness of his stature—

> "Were I so tall to reach the Pole,
> Or grasp the ocean with my span,
> I must be measured by my Soul:
> The mind's the standard of the man."

Genius in commercial and political as well as the military art

means a clear conception of what is to be done, and a correct adaptation of means to ends; effects, as Napoleon often observed, to be obtained only by patient industry and the most elaborate and arduous study. We honour a general for his strategy, if he wins by his skill a battle when opposed by a larger army, or a fight of skill against superior strength, victories gained against enormous odds, battles won against a more powerful enemy, by fine combinations and arrangements well carried out. The real advantage of this quality consists in enabling the well-arranged mind, by knowing the full extent of its power, to contend to the very last for the victory, long after feebler or less disciplined ones would have yielded to despair. There is no more profitable reading for the young (in fact, it is alike profitable and pleasing at all ages) than the heroic struggles of nations and individuals, wherein both the mass and the man have confronted a sea of trouble with courage, devotion, and constancy. Bear in mind, both in attack and defence, that nations and individuals are only as strong as their weakest place; therefore, find out your opponent's weak place, and know your own weakest place, and cauterize it, especially if it be anything unjust. That wars are decided according to the possession, in a greater or less degree, of this quality by the commander, to the student of history there can be no doubt. Contrast the relative positions of Prussia and France, more especially from 1800 to 1815, and in 1875; the contrast in sixty years seems incredible, and has been produced by no other cause than that the one has now as leader the able strategist the other had then. The qualities of the leaders are entirely opposite, and have caused the positions of the two countries to be similarly reversed.

In the last French and German war every event throughout shows results were gained by the superior arrangements of the Germans; they had anticipated every difficulty, and prepared means to overcome all obstacles by a new system, the old way being simply routine. Theirs was rehearsing the tactics and strategy they meant to employ. Each year a different district, a diversity of condition, compelled originality of treatment; every person holding a command had widest possible discretion, so that talent might be developed and ascertained, and self-reliance acquired. Every operation showed the value of this foresight. All the movements and arrangements seemed marvellous, and the regularity with which they fed their great army through a long and trying winter in beleaguering Paris, without for a moment relaxing their military activity in any quarter, was surprising. After this, of course, Russia, Austria, Italy, Sweden, Belgium, and ourselves will copy their tactics, and our autumn manœuvres will be regularly held, and, according to their policy, in different localities. But it is

not to be supposed Germany will remain quiescent; on the contrary: and we should be trying in every way, not to follow what she has done, but to *improve on her system, or introduce a better.* Every stimulant should be given for an officer to suggest and try new experiments, to insure the greatest possible proficiency and efficiency in every branch and member of the two services, if we want to hold the position we have hitherto occupied. As with Germany, so with nearly every commander of note; the secret of success lay in their superior arrangements, seeing that times had changed, and adopting a different system of warfare. So in trade, every marked epoch in any branch of commerce reveals the same policy, some few individuals departing from the beaten track, perceiving the altered conditions of society, and introducing fresh arrangements.

Mons. P. Lanfrey, in his "Histoire de Napoléon I.," tome v., speaks highly of the Duke of Wellington. This is his general estimate of the British commander: "When we examine those far-sighted combinations in which nothing is left to chance, those directions inspired by so striking a display of daring and calculation, and when we read our stereotyped complaints—reproduced by Jomini himself—of the *fortune of Wellington*, we cannot help smiling at the simplicity of the foregone conclusion. Unhappily for us, the endurance of this good fortune was to be as surprising as its splendour, for it did not fail once, amid the most difficult conjunctures, from Vimiera to Waterloo, and it would be difficult to show another such instance in history. But for those in whose power it was at this time to follow and observe the still ill-known general, who, at this extremity of Europe, and so far from the theatre towards which all eyes were turned, had just made Napoleon suffer the two severest checks that he had yet met,—who could watch those eminent qualities in the hour of trial, that sound judgment, that calm and unconquerable will, that command of self and other men, that contempt of charlatanism, that dislike of hazardous operations, even though attended with personal glory, that strategy, methodical and expectant perhaps, but adapted to scanty resources and making the defensive a terrible art, that skill in accepting battle only when success was nearly certain, that care for his own army, that scrupulous probity as respects his adversaries,—those, I repeat, who could see all this could not be mistaken. A formidable enemy of France had appeared, and England, which still lamented Nelson and Pitt, had again found a champion."

M. Lanfrey thus comments on the tenacious genius which baffled and defeated the Imperial marshals: "The brilliant tacticians of the Empire could hardly express sufficient contempt of this slow and inactive generalship. . . . This criticism was about as rational as that

of the Austrian generals of 1796, who complained that the youthful Buonaparte did not defeat them according to rule. The slowness and prudence of Wellington were as suited to the circumstances of the war in Spain as the rapidity and daring of Buonaparte had been to those of the war in Italy. These new tactics were based upon a profound insight into the weak side of the Imperial system, and of the French army as it had been fashioned by Napoleon. . . . They were less brilliant than ours from an æsthetical point of view; they made no theatrical display; they presented few grand combinations for works on strategy; but they were efficacious. Wellington dazzled nobody, but he defeated us. Our sneers could be endured with considerable patience."

The most important point for parents to consider in arranging for their children's entrance into life is whether they have any peculiar natural aptitude for any particular vocation. Having resolved thereon in conjunction with—only in very rare cases should it be in opposition to—the wishes of the child, they should impress on him the necessity of his improving his knowledge of every kind, and more especially of mastering the details of his business. Once succeed in making him earnest, he will soon use his hands and eyes, and make all his senses useful. It is painful daily to meet men who have never been sufficiently in earnest even to have trained their fingers to tell by touch the different materials they have been handling daily for years. Lacking earnestness, the various articles pass through their hands and before their eyes unobserved and unappreciated.

Having decided to commence business, it is imperative you should know your own character before deciding upon either of the three courses open for your selection—viz., to buy a business already established, to become a partner in an established business, or to start a new business alone or in conjunction with others. From lack of means, the majority have to adopt the latter course, and it is the wiser and better plan. If you understand the necessities of your business, you can begin by following the best system extant, free from the trammels that prevent freedom of operation in all established businesses. Besides, it is better to grow with the business, and adapt yourself to its necessities and requirements. There are, however, men with minds so constituted that they would never succeed in making a business, although the same men are invaluable as working partners in a business already established. You cannot attach too much importance to being fully cognizant of your own capacity when deciding on this important step in your history. Having started a business or joined a business already established, your arrangements should be such as will insure the fullest development of the trade

under your management within the limits of your capital and power. Every effort should be made to foster and accelerate such development to the utmost without running the risk of failure; in fact, you should put on all the sail your vessel will carry without danger of being blown over. In arranging your scale of profits, it is wiser to be guided by those who have preceded you in your own or a similar business until the first year's balance-sheet shows you the rate of profit necessary to cover the expenses incidental and essential to carrying on your business.

Political economy Dr. McVickar has truly entitled the "Moral Instructor of Nations," demonstrating as it does the necessary connection that subsists between national virtue, national interest, and national happiness, being to nations what religion is to individuals—the practice of righteousness; as what religion reproves as wrong, political economy rejects as inexpedient; and what religion condemns as contrary to duty and virtue, political economy proves to be equally opposed to the peace, good order, and permanent prosperity of the community. This science proves that, *collectively*, profits must tend to an average, there being always capital ready to be embarked in any one business or investment that pays better than another, and thus by a law of nature all are reduced to a uniform level. Profits will vary to the individual speculator or business man, to the one, for his aptitude, natural and acquired, of selecting alike a proper investment and right time for investing; and to the other, from the class of customers he may, by natural aptitude, skill, or superior taste, have got around him. Difference in price for the same description of article does not imply the apparent disparity in profit. On the contrary, a large low-priced trade may yield as great an income to its owner as the high-priced trade does. There is more labour, apparently, in the low-priced trade; but it is done for cash, or nearly so, and thereby requires a much smaller capital, which is turned over more frequently, and all the after labour and anxiety of getting in book debts, and the losses inseparable from a credit trade, are saved. In the one the most important consideration is how, by proper arrangement, to reduce the total working expenses to the lowest possible point, so as to sell your goods at the minimum rate of profit. In the credit trade the policy is to obtain the greatest novelties, and good, useful, serviceable articles, likely to insure the keeping of a regular connection, having a fixed term of credit, distinctly understood by the buyer, allowing interest if prepaid, charging interest if not paid when due, but resolutely adhering to the policy of closing any account which seems systematically always to be in arrears. The important point for your consideration is, which class of

trade you are best adapted for. Profits do not vary, taking all things into consideration. What you have to decide is, which trade you are most likely to succeed in. The times are favourable for ready-money trades, but this system has its limits. It is impossible for all to do cash trades, and there is as much or more money to be made from credit trades, assuming you have the necessary capital, judgment, and firmness for managing the same; but in every credit trade, as an act of justice to those who pay cash, or before the time stated for payment, a discount should be given as an equivalent for the value of the prompt payment of the one buyer against the loss of interest by time, probable risk of loss, dilatoriness, and trouble of the other.

With the cash trade, you must be prepared for, and equal to, doing a larger return for the same remuneration; but the larger trade simply requires your being equal to making arrangements for the same, the capital required being as much less in proportion to the increased trade, in comparison with the credit trade, as the per-centage of profit would bear to the smaller trade. Briefly, you get the same income from the two different methods of business from the same amount of capital, only the cash trade enables you to do a much larger trade with the same capital than you could do in the credit. In the former there is more labour, in the latter more anxiety; and here, perhaps, a word of caution may not be out of place as to the altered condition of trade in giving credit by manufacturers or large wholesale traders. Before doing so, it is most important now to ascertain the class of trade done by the buyer. A customer doing a cash trade has for assets his stock only. The value of this will depend greatly on the class of trade and judgment of the buyer. A seller with his eyes open can fairly gauge the value of a buyer's stock, and, if he ascertains return made, can form an approximate idea of his indebtedness. Sell a man one parcel, you will get a fair idea of his judgment (as a practical employer can tell what an assistant is worth before he has been many hours behind his counter); but you should not tempt to buy with long credit, or give long credit to men doing a cash trade. Such traders ought to take the discount for all they buy. Having the necessary capital and capacity for a large trade, you should tempt it by judicious advertisements and circulars. The value of these media will vary according to whether you supply the public at large, or only a particular class—whether your trade be a local one, or capable of being extended to all parts of the kingdom. But even with the necessaries of life, or chemists, occasional circulars or local advertisements must be of benefit; whilst for those traders capable of supplying to all parts, circulars and advertisements are the best means of making a large trade. To get and keep a large trade, or any trade, in fact, all your arrangements must tend to the

most inexpensive management possible, as your rate of profit must bear a proportion to rate of expense. Ascertain the minimum rate of working expenses, and arrange your scale of profit accordingly. Whether the trade be large or small, local or general, the same principle must be observed; and, after success is achieved or seems certain, you must be very careful in not materially increasing your own private expenditure. Allow yourself so much a year—there is no other plan—and keep to it as rigidly as if you were in a situation, and had no more, regardless of years being good or bad. By this policy, all excess of profit over expenditure is retained in the working plant, and capital increased monthly, the working expenses and your own as a worker being all that is abstracted from the gross earnings. You cannot be too vigilant whilst in business, before and after having succeeded, in watching all expenses; and you should make every effort to get the support of as wide a range of customers as your position or trade admits of. As a rule, those businesses are most likely to thrive that dive deepest into the mass of the community, or adapt their arrangements to supply and meet the wants of the greatest number.

If great discoveries are the result of exact measurements, great businesses are made, and can only be successfully carried on, by thoughtful arrangements. To be sufficient is to be fit for the place held, and to have a sympathy and a capacity beyond it. The one implies the other. The mere pedagogue never gives this feeling, and is not felt to be a sufficient man. The same with business arrangements: some would govern by inch measure, by simple rule of thumb; such red-tape minds can only make or manage small businesses. Routine is valuable up to a certain point, but men cannot and will not conform to a set standard in all things at all times. The sufficient man must sympathize; he gains confidence by always being ready to see where the shoe pinches—always willing to lighten the burden of others, even while he helps himself. From this he gains the higher authority; as, although he deviates from his rules, and seems to defy conventional standards and accepted modes, he touches a deeper spring, and the mass go with him, and justify him with the flower of success. Such men are prepared in emergencies for self-sacrifice, and see and act in such cases with broader views than those of the moment. Hence, on the one hand, there comes contented conformity to his requirements and ways by those who serve him, and on the other, he gets the faith of those who buy of him, as he has inspired confidence in them, and they believe he has a will strong enough to rise above circumstances. All greatness, in truth, lies here; and the sufficient man is so, not because he abstracts himself from the needs and claims of feeling, but because he

controls and directs it with such self-possession that he is always felt to have a reserve in case of need upon which he can draw, and seems always equal to every emergency.

A true worker can trust results: he is not impatient, but labours on and waits. He is healthy, if he may seem self-contained, and is seldom a grumbler; his gift, whatever it may be, acknowledges its cousinship to labour, and brow-sweat and brain-sweat do not cause him repugnance. The great point is to acquire the capacity to look on the outward facts of life, and to read them as clearly as if emotions did not exist; and then, in a moment of sudden access, to discern through them the possibility of union, and take a vantage of it by simple means, as round the thread the sugar-crystal obediently and easily takes form for daily use. Arrangement combined with perseverance qualifies itself for this illuminating process, every step which it takes being full of faith in the future, and snatching a peaceful satisfaction in the present. This is its mark and benison, and it matters not in what department of activity it may be thrown, the master qualities will still assist and adequately support themselves, and the proportion of our success will depend on the order with which we act.

The natural advantages possessed by large capitalists, especially amongst the distributing class, have been much quickened and advanced of late years by the development of means of communication, and the consequent ease with which all commodities, in large quantities, can be transported from manufacturing centres over the whole country. The "parcel post," when it comes into operation, will materially alter the arrangements for buying; when a customer in any remote village can send an order by post to London or any other large town, and get the goods required by return of post, there cannot be a doubt but he will do so, and the almost inevitable result will be destruction to many of the smaller class of tradesmen who previously existed in parts of the country placed beyond the reach of the large towns. The "parcel post" has already done good; the railway companies have at last awakened to the importance of the "small parcel" trade, and, September 1st, 1882, all the principal railways reduced their charges, and began earnestly to cater for a large business they had hitherto neglected. The tendency of the age is for "large establishments" to buy all at one place, and it is more economical, as even if the articles be not cheaper—and, as a rule, they are—the buyer gets a larger variety to select from, and buying all at "one place" takes much less time than buying at several. So that it seems that the smaller class of tradesmen must inevitably be displaced by the superior energy and the

greater advantages of the larger houses, as regards diversity of styles and variety of patterns, more especially those whose names for integrity and business capacity are a kind of household word all over the kingdom. There will, however, always be scope for a number of smaller tradesmen, but much patience and great tact will be necessary for their success. Their princial advantage consists in being able personally to superintend all the details of their business, as they thereby prevent many errors and delays in the execution of orders unavoidable in larger businesses, where the details have to be entrusted to many employés, and more routine is necessary in the checking, which causes delay.

There have been great changes during the last ten years in all departments of industry, and we may reasonably expect still greater during the next ten; but it is difficult to estimate what changes the present system of general education will make. Wise men, however, will watch, and alter, and adapt their conduct according to circumstances; as, whatever virtue there may be in consistency, it is, after all, a sign of weakness. Wise people change their opinions and alter their arrangements to accord with the times; fools never do. Every man should try and rise in his station; that is the condition which has made the social constitution of this country. Her isolated position, and an inexorable necessity, compelling the mass to labour or starve, has made England what she is. There are plenty of people to be found who will tell you to be content to remain as you are, but these very people will be the first to give you the go-by, laugh at you, despise you, and set you down as a simple fool. If you cannot get the place you want, begin life by taking the best place that offers; by your conduct therein earn promotion, or qualify yourself by obedience, honesty, temperance, industry, and good manners, for a better situation elsewhere. There are few who cannot get on, win friends, or save money by the time they are twenty-five or thirty; but, as a lad, you must not spend every spare shilling in drink or smoke. Be careful in selecting your companions. By care, all may avoid falling behind; many may gain steps; many may mount fairly the social ladder; some few may go farther ahead; but the latter can only be of those who see that the entire course of events is crushing to those who will not or cannot see how to alter with the times, and who possess strength and energy enough to push forward with the foremost.

Genius Mr. Carlyle has defined to be patience. To succeed in business, you need patience, but you need not be a genius, which means the comprehending and doing one thing to absolute perfection. Such men are rare and, as a rule, more theoretical than practical.

In the majority of businesses, the perceptive rather than the reflective faculties are of most service; these enable you, by diligence and attention, to perceive the salient points necessary to the proper understanding of your business or calling, and that, combined with a properly-trained intellect, will enable you to obtain the superior talent of doing all things well.

There are individuals who are martyrs to the love of order, who are distressed beyond measure by the sight of confusion, and highly satisfied when everything is well arranged. Whether parents are orderly or disorderly has a great influence upon their children. If brought up by orderly parents, the individual will be much more likely to be distinguished by the same quality than if his early years had been passed in the midst of disorder and dirt. It is a bad start for a young man in life to be in a house of business that lacks method and arrangement. The rule should be, to keep everything in order, and all articles be put in their places when done with, and in the smallest possible compass. Arrange times for regular delivery of parcels. Take receipts for salaries and wages. Pay in cheques as quickly as possible. All employés who have served you well during the year deserve an advance or bonus on the 1st of January; as a rule, a fixed rate for each department and position, according to labour and skill required, is the fairest for both parties, the bonus to all varying according to the position and year's results. Any arrangement that will make employés work willingly and thoughtfully is well worth the premium, or salary and per-centage, according to the year's result in each department; the same with travellers, a fixed salary and per-centage on profit gained is preferable. It is not fair to judge of a traveller by his first journey; one man may not do so much as another in a single journey, yet have made a favourable impression calculated to do the house a much larger amount of good ultimately. Always enforce obedience. Rules may be bad, or machinery not sufficient to insure the laws of warehouse or counting-house being correctly administered; but, if the laws be good, all men should help in getting them enforced. If the arrangements are such that the law cannot be enforced, they should be altered, as the law, whilst *law*, should be obeyed on the one hand and enforced on the other.

> "And sovereign *Law*, that state's collected will,
> O'er thrones and globes elate,
> Sits empress, crowning good, repressing ill."
>
> SIR W. JONES.

PUNCTUALITY.

"Early to bed, and early to rise,
Makes a man healthy, wealthy, and wise."

"Dost thou love life? Then do not squander time, for that is the stuff life is made of. The sleeping fox catches no poultry. There will be sleeping enough in the grave. Work to-day, for you know not how much you may be hindered to-morrow. Since you are not sure of a minute, throw not away an hour. Employ time well if thou meanest to gain leisure; one to-day is worth two to-morrows." FRANKLIN.

"THIS quality is the very hinge of business," and will inevitably be produced by industry, perseverance, and arrangement. For health and prosperity there is nothing better than early rising; by beginning the duties of the day in good time, we keep ahead of the work, whereas those who begin late are always behind and in a bustle all day.

Above all in importance is being punctual in your correspondence; answer every letter, no matter how trivial. There is nothing more annoying to a customer than not getting an answer to his letter; it offends his *amour propre*. And, when asking for appointment or references, or any favour, always enclose stamped addressed envelope for reply. Having got an appointment, acknowledge the same, and return thanks for it; it fixes it on the customer's mind, and he is more likely to keep it. Never promise what you cannot perform, but, having said such a thing shall be done, or promised an article or parcel at a certain time, made a promise to remit money, or an appointment, be sure and punctually perform what you have promised somehow, regardless of cost. It soon gets known that you are a man whose word can be depended upon, and it will do much to insure you a prosperous career.

Punctuality is a virtue that all men reverence in theory, but all do not carry into practice. It is a quality that is usually found in connection with other good qualities, as the want of it argues the absence of other essential habits. A want of system, defective calculation, and imprudence in making promises when the probabilities of fulfilling them are very uncertain, are frequent causes of want of punctuality. I will pardon the man that fails to pay to time if he calls or writes and explains why—aye, even if he fails a dozen times—but cannot forgive

the man who coolly lets his bill be dishonoured without informing me of his inability to pay, and the reason why. You cannot trust an unpunctual man; his promises are worthless; whereas a punctual man respects his word, and has regard for other people's convenience. He knows delays are dangerous, and never defers till to-morrow what should be done to-day; delay only complicates matters, and doubles the difficulty; *now* is the wise man's axiom, and *presently* the fool's motto. The longer you delay, the more you dislike a bad job. This principle is taught by Horace:—

"Nor fondly to to-morrow trust
More than you must or may."

An unpunctual man interferes with our plans, wastes our time, causes uneasy feelings, and seems to tell us we are not of sufficient importance in his estimation for him to be punctual; but the fault generally arises from want of system, defective calculation, or imprudence in making promises. In the complexity of business affairs it may happen that one cannot at times be punctual; but it is always possible to write, and give the reason why you cannot keep an appointment, and so save the time of others. A punctual man would do this, and invariably keep his engagements and fulfil his promises.

You should always, be the amount large or small, pay your debts when due. Many tradesmen get themselves into bad credit through neglect in paying small accounts. The injury to their reputation from this want of punctuality is incalculable. Debts should be paid, on principle, when due, regardless of amount. Everything should be sacrificed to accomplish this, as the way to buy cheaply is to instil into the seller's mind a thorough belief that your word is your bond. No paltry excuses—"forgot to pay," "out of town," "ill," &c. No excuse holds good for not paying debts when due. It should be a matter of honour with every man to meet his engagements with others; it is impossible to know the misery that may be caused to others by not doing so.

The punctual man will never promise anything with certainty if he has any doubt of his being able to do it; but, having promised, he will faithfully perform, regardless of consequences to himself. When there is any doubt, it is always best to say so, as when any one calls for anything, expecting it to be ready, it is very annoying to be told "it will be ready in a minute." These delays invariably arise from doing too many things at once. There is nothing like doing one thing at a time, and doing it at once. "Procrastination is the thief of time."

The new plan, introduced November 1, 1882, of having letter-boxes affixed to the postal vans of the mail trains, in which letters

may be deposited up to the time of the mail train starting, will be useful for urgent matters. This plan has been in operation for some time in most parts of the Continent, and, no doubt, will be a success here, as so many people, even men of business, are always late with their letters, from a bad habit of putting off things till the last moment.

Punctuality in coming to business, coming in to time at night, especially the juniors, should be strictly enforced. You cannot be too punctual with meals. The bodies of men who work require to be regularly nourished; and changing boots, washing hands and face, before or after dinner, is a capital plan, enabling you to return to work fresh and bright. Employers are often blamed for keeping young men in late: the fault more often rests with the employés, who will not help one another, but pretend to be busy over things in their own department, when an earnest quarter of an hour altogether would get the place in order, and all could get away.

Time is money. If time be of all things most valuable, then the waste of time, which we all of us regard too leniently and carelessly, must be of all things the greatest prodigality. A man of business has no spare time for callers: it is easy to let people see this, and they soon take their departure.

"Time by moments steals away,
First the hour and then the day;
Small the daily loss appears,
But it soon amounts to years."

Expedition is the life and soul of business; thou shouldst drive thy business, and not let that drive thee. Call upon a man of business in the hours of business on the affairs of business only; transact your business, and go about your business, that he may have time to finish his business. In every warehouse should be prominently written up, so as to get this habit universally adopted, "*Amice agito paucis et abi*" (Friend, dispatch thy business and depart). It is bad enough to lose your own time, but to tax and waste the time of others is too bad, as "time and tide tarry for no man." Have but one price, marked in plain figures, which not only gains the confidence of the buyer, but saves the time lost in higgling over every transaction.

It is impossible to overrate the importance of punctuality. Method is the very essence of business, and there can be no method without punctuality. This quality is conducive to peace and happiness; the want of it not only infringes on necessary duties, but often excludes them, and there can be no calmness of mind without it. The disorderly man is always in a hurry; he has no time to speak to one customer, because he has engagements with another, and those he

neglects. Punctuality gives force to character. I remember my first appointment with my banker. We were strangers to each other. I entered the room as the clock was striking eleven. The manager looked at the clock. "Mr. Platt, I presume?" Punctual men make others punctual: they know you will be, and make efforts to be so themselves. It is astonishing how having a character for being punctual operates on all around you. In brief, an appointment should be regarded as a debt due to punctuality. Having made an appointment with you, I have no right to waste your time if I do my own. "It is wise and prudent to mind your own business, and leave other people's alone."

Punctuality causes concentration; we know at a certain time an engagement has to be kept, or something has to be done, and we go about our work briskly, and get through the day's details with a prompt regularity. An unpunctual man, as a rule, will be of the "happy-go-lucky" type, thoughtless, negligent, muddle-headed. Want of method generally causes want of punctuality. Employers should be punctual in paying wages; some ladies are very careless, and cause much inconvenience by not paying their servants regularly. For, to be punctual, carry out Lord Brougham's axiom, "Be a whole man to one thing at a time." If you want to get on, concentrate your faculties upon your work, stick to your business. It is only by close watching that a business can be consolidated and improved; if your mind be concentrated thereon, you will be continually discovering modes of developing it, and of working it in the most economical manner. The "unpunctual" man is apt to be untruthful; he has to make "excuses;" he gets into shuffling habits; he cannot meet his payments; he has to buy of the inferior houses; he gradually sinks, goes with those who prefer a "small business" and "large profits," and lives to repent of his folly.

Being punctual, means "not in the least slow;" no faltering or hesitating, but ready and prompt, lest the chance should slip away through your own unreadiness. Be vigilant: "It is the guard of a man in the day's prosperity, and it stands upon the watch-towers and spies the approaching danger, and gives warning to them that laugh loud, and feast in the chambers of rejoicing, when a man cannot consider by reason of the noises of wine, and jest, and music" (JEREMY TAYLOR). Whatever you have to do, be it great or small, let it be to you of the first importance.

> "If it were done, when 'tis done, then 't were well
> It were done quickly."
>
> SHAKSPERE.

Be not slothful in business or aught else, but earnest, your

movements indicating that your whole soul is absorbed in the thorough completion of all the details of your duty. It is not enough in this world to have good purposes; we must go about them in the right way, be ready at the right moment for their accomplishment; so that when "opportunity" suddenly emerges,

> "And looks him in the face,
> An angel beautiful and bright,"
>
> (COLERIDGE)

your punctual habits will enable you to act at the moment as wisely and prudently as if you took a week to consider. A true business man knows the value of time, knows that if he uses the time daily wisely and well, other things will fall into their places; he believes in no arbitrary fate, but is aware of the daily losses by people's own fickleness and folly, stubbornness and self-will. "Have you read this or that?" "Oh no! I have no time to read," is the reply of ninety-nine tradesmen out of a hundred. Whereas business needs a lot of study; it is not only a system, but a science. "The man of business must as much avail himself of the scientific method—must be as truly a man of science—as the veriest bookworm of us all" (PROFESSOR HUXLEY). Business life is a splendid field for purposes of discipline, for studying the causes of success and failure; "regularity" causing prosperity, "irregularity" ruin. In business life,

> "A field is opened wide as nature's sphere;
> Nay, wider: various as the sudden acts
> Of human wit, and vast as the demands
> Of human will."
>
> AKENSIDE.

We hear of fortune, good fortune, ill-fortune, chance, but study the life of successful commercial men, and we shall find that they possess uniformity in a steadiness of application, a concentration of their entire energies upon their occupation, a belief that success does not belong to that supposititious and capricious divinity, Fortune; as, if so, the halt and the blind would have an equal chance with the swift and the seeing; but that decay and dissolution attend the violation, life and prosperity the observation, of the dictates of the supreme, invisible spirit of Law, to which all things in heaven and earth do homage,—the very least as feeling her care, and the greatest as not exempted from her power. Law rules and vitalizes business, even more than it does the systems and forms of society; and "punctuality is the soul of business." If you think for a moment, you will see it is so; being punctual is the essential qualification. Your articles may be good, but all your labour is lost if you fail to be in time to submit

what you have to offer; your goods may be all that a customer requires, but useless if sent home "too late." Cultivate this habit, be known as a "punctual" man, adhering to the exact time of an appointment; prompt, precise in observing an engagement. You can almost tell the character of men by this habit. It has often struck me when attending a meeting of creditors: a few, very few, will be there a few minutes before the time, a few more exact to the time; then a quarter to half an hour of the time of all assembled is wasted waiting for others; then the proceedings begin; a few drop in later; and then there is a lot of time wasted in replying to questions, because they have not heard the chairman's statement, which, had they been to time, would have been unnecessary. This occurs at other meetings also. For want of this habit, a man often incurs expense: he has been written to for money; neglects to reply; is written to again; at last, he is threatened, unless paid by twelve o'clock of a certain day, proceedings will be taken; about four or five o'clock, he coolly walks in, after expense has been incurred; or he lets the action go on, and neglects to be in court to time, and judgment goes against him by default, however good his defence may be, because of his want of punctuality.

Here, again, nature sets us an example; everything goes on with an inflexible regularity, like "the undeviating and *punctual* sun" (Cowper); or, "These sharp strokes [of a pendulum], with their inexorably steady intersections, so agree with our successive thoughts, that they seem like the *punctual* stops counting off our very souls into the past" (J. Martineau). A punctualist—"One who is very exact in observing forms and ceremonies" (Milton). A business man will have a scrupulous regard to time, as regards alike his appointments to attend meetings, to seeing persons he has made engagements with, in keeping an exact and regular account of what passes daily, in having orders punctually attended to, in paying on a certain fixed day his debts or rents, and in using all his power to make others be as punctual with him in all their engagements. This habit is to be acquired if its importance be impressed upon the mind at the right time. We are apt to forget that, in our hurrying age, boys become men by a sort of start or explosive advance. If we would have good business men, we must train the "young" in good time, get the ground ready for the seed that is to bear fruit. "There is no coming back to correct the errors of youth," as Plato reports Heraclitus to have said; no man ever bathes twice in the same river: all things are in rapid flow, and what is to be done for character should be done quickly. The days of youth are brief; we must use this valuable period more wisely; above all, let us try and sow the seed for good business habits. Train the young to

be equal to the age we live in, recognizing that the man of business, to be a successful one, must be a quick, ready, intelligent, and thoroughly informed one, not only in the particular branch which he has selected, but in all the related and contingent branches which bear upon it; or he will be left in the rear, or fail, being beaten by competitors who possess the necessary business qualifications that he is in want of. Our present system of education gives every poor man's son the full chance for the exercise of all the powers with which God has endowed him; it is the duty of his teachers to urge each pupil, by every motive of hope, of gain, and of honour, to push forward; so that the contest must grow more and more earnest. It will soon be seen that the prizes of life fall to those who have the talent, industry, and enterprise their trade requires, united with economy, honesty, and truthfulness. If this intense competition multiplies the difficulties, it is calculated also to enlarge and quicken the powers of every true man of business. But to withstand the daily contact with temptations, he must be trained for a business life, and to see the importance of inherent and unchangeable integrity—of not yielding in "little things;" or his principles will vanish little by little. All youths should be taught to see that the first sacrifice of honour and truth in the walk of business is, as Solomon describes the starting of strife, "as when one letteth out water." The best safeguard is to be "punctual;" as, if you are not, it is like "a neglected chink in the dam, a leak which will hourly grow in its power and certainty of destruction; which is only to be met successfully when it is first discovered, or it will soon attain a power that will mock at vigilance and defy restraint."

Punctuality is a great help to success; and the most famous men of genius, letters, and business have been noted for their punctuality and accuracy. These two habits give the power of concentrating one's powers, and thereby getting through an amount of work that no "unpunctual" man is able to accomplish. Punctual men are thoughtful men. An English farmer once remarked that "he fed his land before it was hungry, rested it before it was weary, and weeded it before it was foul." There is as much wisdom in this one sentence as is to be gleaned from many volumes. It is said that when Nelson was on the eve of departure for one of his great expeditions, the coachman said to him, "The carriage shall be at the door punctually at six o'clock." "A *quarter before*," said Nelson; "I have always been a quarter of an hour before my time, and it has made a man of me." Better be before the time than after. Be punctual.

"See thou thy credit keep; 'tis quickly gone;
'Tis gained by many actions, but 'tis lost by *one*."

CALCULATION.

"Buy what thou hast no need of, and ere long thou wilt sell thy necessaries."
"At a great pennyworth pause a while: many are ruined by buying bargains."
"Always taking out of the meal-tub, and never putting in, soon comes to the bottom."
"If you would know the value of money, try to borrow some."
"When the well is dry, they know the worth of water."
"Many a little makes a mickle." FRANKLIN.

NATURE always works according to the law of the "survival of the fittest," which means the victory of that organization or system which attains the *maximum* result at the *minimum* expenditure of cost. Matter and force are indestructible: we cannot add to or take from either. We may divert the powers of nature to the courses along which we wish them to act, but we cannot add to their amount. The problem for mankind is to calculate how best to utilize the prodigality of the universe so as to convert it as much as possible to the sustentation of the race. The people are told by some they ought to be better remunerated, and finding everybody of the same opinion except the comparatively few who have to find the money, they can hardly be expected to doubt what it is so pleasant to believe. Let your system be calculated to foster hope, and give range and opportunities for their fulfilment. Without this all the kindness in the world will fail to satisfy. It is wonderful how much people will endure in the present if they believe themselves in the track of promotion, or with the turn of fortune in their favour.

"If you would do a deed,
Wait till the moment comes, then take your spring,
Heedless of every danger, as the falcon
Keeps in the air until he sees his quarry,
Then stoops."

So it is in life. Be ready, having an eye always to the main chance, and the wit to take advantage of that chance. Bold adventure is a needful element, and safe when regulated by calculation, firmness, and caution. Calculate always the difficulties lying in the way of a happy realization of your desires. Do not look forward, childlike, for impossibilities. Do not shrink from the route selected because

it may possibly be, in the common nature of things, hard to travel, but enter on it with a firm resolve to strive your utmost. Work cautiously, but do not anticipate troubles before they are at your gate. Never take trouble at interest, but the contrary. We seldom reflect upon how largely the small influences of the world work, and what great things are brought about by little. When we complain of having nothing to do, no work ready for us, no seeming necessity for our presence, we forget that we each are unconsciously doing a work, or are the unwitting agents who contribute in a small, but still in a necessary, way to some unseen result, and that the influence we exert on all around us, no matter how narrow or how humble our sphere, will stand as an everlasting testimony for good or for evil. By our very regulation of temper in the trivial concerns of life we may be moulding others, who, to our eyes, have a greater work and a more prominent place to fill than we have in the daily details of duties assigned to us.

If your business cannot be done for ready money, only sell for credit on fixed terms, and only trust those who adhere to the same. We seldom have a storm without previous indications of it; if we fail to regard the caution, we deserve to suffer the consequences. It is the same in business. In ninety-nine cases out of a hundred, bad debts might have been avoided had we attended to the symptoms indicated by the buyer's want of judgment, want of energy, want of capital, or want of principle, as manifested by his indifference to and neglect in regularly meeting his payments. In every business there are some customers who are irregular, but quite safe to trust, if we are justified honourably in making exceptions. But expediency and discretion must teach you when to depart from this rule. Calculation proves it to be the wisest policy to sell all articles at the smallest possible profit: it is impossible by any other system—excepting for those trades relying for success on the introduction of novelties, and in which there is a great deal of uncertainty and anxiety—to keep up a trade of any magnitude. You are certain to have losses or drawbacks. Experience has always to be bought, and, properly regarded and acted upon, is worth the money paid for it. There is this consolation: it is better to be cheated than to cheat, and those who cheat us will die poorer than we shall if we are honest and economical. People are seldom ruined by the vices of others: these may hurt them; it is only their own faults and follies that can destroy them. It is amazing how we all like to hear fine promises. "Words pay no debts," says Shakspere, but big words do undoubtedly cancel many. What is life itself but a promise from beginning to end? Who is not deceived by this same fair-spoken life sooner or later? Alas! were it not for some

promises, would existence be endurable? Experience teaches us that action is the safety-valve of our moral nature. Our labour may be worth little in the workshop of human life, but have we the right to withhold that little? Something we can do, that something we should do; and the essential thing for all business men to do is to avail themselves of the means within their reach in the age they live in.

I take this to be the age of more sudden changes and transitions in trade than any previous one—a greater freedom from local trammels, a more enlarged perception of the necessity for and disposition to buy in the cheapest markets; therefore I should advise every one, more or less, to advertise, or circularise, what he has to sell and what he sells for, as by this means he can best extend the area of his business operations. Even if you live in a village, you could send circulars to the neighbouring ones; and if in a large city, you should advertise and send circulars to all who can send or are likely to go there; but, alike with circulars and advertisements, always bear in mind your object, and calculate the best means of gaining it. Generally, the object is publicity; this is best obtained by a speciality. Let this be a *necessity* of good value, and worthy of being talked of and recommended. Keep prominently before the public this one speciality, and let your name and address be associated with it. You may say that you have not any; I reply, *Make one.* With a little thought and trouble, every tradesman may produce a speciality, which should be advertised tersely, and in proper mediums, or circulars issued thereon, briefly as possible, so as to be easily read, but so framed and worded as to insure belief; these are necessary elements to secure advertisers the maximum of benefit from the minimum of outlay, and for want of which immense sums are yearly recklessly thrown away. Advertisements cannot be put too concisely or direct to the purpose; to get them read, you should say a little, and say it well, and reiterate some speciality or idea that would easily be remembered. When possible, let the advertisement begin and end with a blank space or larger type than the other part, so as to attract attention, and try and secure a position for it in a book or paper where it is most likely to be seen and read.

No man's merit can be fairly judged of if he is not known. "Notoriety or publicity is an indispensable element of success to the merchant, mechanic, or manufacturer who would give a speedy and wide distribution to the commodities and productions which he seeks to exchange for money. He may have capital, skill, convenient position, punctuality, industry, and honesty—every possible fitness for his business—and all is nothing if he have not sufficient notoriety. This

notoriety, let it cost more or less, he must purchase or provide for as carefully as he purchases or manufactures his stock of goods. And it must bear a certain relation to the business he would do; it must be both positive and comparative. People must not only know him and his business, because, otherwise, they will not find *him;* but they must know him, because, otherwise, they will find and trade with those who are better known. To do a successful and profitable business, a merchant must advertise—no matter what goods he sells" (*Hunt's Merchants' Magazine*).

Advertising requires great care, in selecting the best medium for the class of persons you are appealing to for support. My own impression is, that press advertisements do not pay as they used; they are more costly, and so many advertise now, that the benefit to each is not so great as formerly. Advertising by circular supersedes all other methods, as, systematically adopted, you have the opportunity of bringing what you have to sell before every one that you are anxious should do business with you. Although advertising does not pay so well as it used, the necessity is more imperative to keep on advertising, or, if you leave off, you will soon be forgotten. There is no better mode, as yet, of extending or keeping any business than by the persistent and periodical issue of circulars, in which ought to be given the fullest particulars of "every advantage" you can offer over your competitors. Having calculated that your business will justify you in sinking so much capital yearly in advertisements, you must have faith and keep them on for some time; even if no benefit be apparent therefrom, the trade is certain to come, if you keep the commodity prominent. Name and address are but secondary, as, if the article and price be right, buyers will soon find out where it is to be had; it is the commodity you are offering for sale, not the name and address. The name and utility of the article, its advantages in price and otherwise over similar articles, repeat this over and over again, name and address top and bottom. To sum up, the art of advertising consists in selecting a speciality, wisely, briefly, and clearly describing its benefits, keeping its special characteristics well before the public, carefully arranged, and selecting with great tact and judgment the best media for its diffusion among those you are appealing to, as it is there only where it is likely to bring the necessary benefit.

Mental arithmetic is very valuable; every one, with a little attention and earnestness, can make a method of his own, or get a key by which to unlock in his brain and do intuitively the calculations in his particular business. Shop assistants should be walking ready-reckoners; the time lost in making out and examining bills that

should not puzzle a boy of ten, is fearful, and the daily errors even by men who have been in the trade for years disgraceful.

This habit of calculation leads to thinking each day what had best be done. In an open trade, with windows, the first thing to be decided on are the articles best to be shown, according to the weather and time of the year, and the articles most in fashion should always be shown liberally.

The same habit induces the going through stock regularly, keeping in view goods not selling, getting rid of the same as opportunity offers: the most important point is studiously to avoid keeping too much stock. The cost of goods not selling in loss of interest is a formidable item of expenditure. Bear in mind, goods are bought to sell, not to keep; an active stock is essential to success. Another important item is discount; when buying a parcel on credit, keep time of payment in view—always ask for an extra month if near the 20th or 1st; the month's interest is a gain of itself, and may be the means of your discounting, instead of having to accept for the parcel. As early as possible, know your liabilities for the 4th and settling day of each month: always discount all you can, and promptly write to those creditors to draw upon you whose accounts you are not able to discount. Go over and review your memo. and order books and ledger regularly, once a month at least: there is always something to be done, if not for the present, in preparing for the future.

When dressing a window, make a list of what you intend showing; and, if you are a traveller, think over as you go along the articles most likely to suit the customer you will next call on. You will soon know your own powers; use them to the utmost, but avoid all tricks of trade, lying, &c.; they show low understanding and low morality. Have faith in honest dealing, and get others to have faith in you.

Calculation satisfactorily demonstrates that honesty is the best policy, and that a rogue is a fool who kills the goose in his desire at any cost to get the golden egg: for instance, such a man takes advantage of confidence to perpetrate an act of villainy. Is he a wise man, or a fool? On the one side, confidence is gone, family disgraced, happiness embittered; on the other, a temporary advantage is gained: the balance is largely against him. Solomon says, "He that getteth riches, and not by right, shall leave them in the midst of his days, and at his end shall be a fool." The man who acts from calculation is always thinking of the means to be employed in pursuance of his policy; and the true man of business, guided by right reason, does not allow the *end* to be uppermost and bias his conduct.

Calculation may be termed the mind of business, and deals with principles as well as figures; its great value may be said to consist in distinguishing between a true and false economy. The policy of a nation, as well as that of the individual, will err unless based on a rigid system of calculation, as I think the following extracts from Professor Cairnes' valuable work, entitled "Some Leading Principles of Political Economy," will prove. He says: "Supply and demand is a species of barter or exchange, facilitated by a circulating medium. Demand, or purchasing power, owes its existence to the production of a commodity, and can only be increased by increasing the quantity of commodities offered for sale; that is to say, 'demand can only be increased by increasing the supply.' The purchasing power of England is represented by the aggregate of all its products; and as it cannot increase except through an increase of these, so an increase of her products—if adapted and duly proportioned to the requirements of human beings—will, other things being the same, carry with it a corresponding increase of her purchasing power. It follows, therefore, that the relation of general demand and general supply to each other is not affected by the employment of a circulating medium, but continues essentially the same under a monetary as under a barter *régime*. In neither case are they independent facts, but essentially the same facts presenting themselves under different aspects. Demand, as a general phenomenon, cannot exist without supply, and cannot increase except in proportion as supply increases." Producers are identified with supply, consumers with demand; and thus the belief in the independence of those agencies seems to find confirmation. The prevalence of this notion was brought into view very prominently in the discussion which took place two or three years back on the nine-hours' movement. By several of those who took part in that discussion, and amongst these by some who wrote with not a little parade of economic knowledge, it was assumed almost as axiomatic that the result of the movement, supposing it to be extended to the whole circle of industry, would be a general increase of demand beyond supply, issuing in a general advance of prices. The producers, it was seen—unless their industry gained in efficiency what it lost in duration—would, on the whole, produce less, and, therefore, supply would diminish. But, not perceiving any connection between supply and demand, the disputants took it for granted that demand would go on as before. You will perceive the gross fallacy of the assumption, the producers are also consumers; and if, on the whole, less is produced, there would, on the whole, be fewer commodities to be exchanged, for if a given group of labourers and capitalists produce less—however they may divide the produce amongst themselves—they have, as an aggregate, less to offer

for sale; and as all other groups of labourers and capitalists, including those who are the means, direct or indirect, of bringing gold or silver into the country, would also have less to offer for sale, the relative position of each to the community would not be disturbed, and the diminution of general supply would be exactly balanced by a corresponding diminution of general demand. It may be urged that in all wealthy communities there is a large body of persons who are consumers merely, the idle rich, who take a large and effective part in consumption and demand, but who produce nothing and contribute nothing to supply. Let me here explain that by consumptive power I mean, not the mere physical capacity to consume, but the economic conditions which minister to the physical capacity; and their purchasing power is derived from their rents or interests as landlords, mortgagees, and fundholders. The phenomenon is merely one of a transfer of a purchasing power from one set of people to another, who, in virtue of contracts, are entitled to receive it. If the idle landlords, mortgagees, and fundholders were to vanish into space, would the demand of the community diminish? Certainly not, so long as production and supply continued as before. The only difference would be that different persons would now consume and determine the direction of demand. It was formerly certain idle landlords, mortgagees, and fundholders; it would now be certain producers and tax-payers, who, finding themselves in possession of an enlarged purchasing power, would, I think we may assume, know how to use it. That useful function, therefore, which some profound writers fancy they discover in the abundant expenditure of the idle rich, turns out to be a sheer illusion. Political economy furnishes no such palliation of unmitigated selfishness. Not that I would breathe a word against the sacredness of contracts, but I think it is important, on moral no less than economic grounds, to insist upon this, that no fundamental benefit of any kind arises from the existence of an idle rich class. The wealth accumulated by their ancestors or others on their behalf, where it is employed as capital, no doubt helps to sustain industry; but what they consume in luxury and idleness is not capital, and helps to sustain nothing but their own unprofitable lives. By all means they must have their rents and interests as it is written in the bond; but let them take their proper place as drones in the hive, gorging at a feast to which they have contributed nothing. It is a fundamental law of demand and supply that the supply of a commodity always tends to adapt itself to the demand at the normal price. By normal price I mean that price which suffices, and no more than suffices, to yield to the producers what is considered to be the average and usual remuneration on such sacrifices as they

undergo; and the statement is, that the supply of each commodity tends to adapt itself to the demand at this price. That it does so is the direct consequence of the motives which induce people to engage in productive industry, and which attract them, so far as circumstances permit, towards those occupations which offer the largest rewards in proportion to the sacrifices undergone. It follows from this that, where the price of a commodity is above the normal level, and where, consequently, the producers are reaping more than average rewards, more producers will be drawn to that employment, and the supply of the commodity will be increased. But the increase of supply by the competition for sales will tend to lower the price, and thus to bring it down towards the normal level. If the increase of supply is not sufficient to reduce the market price quite to the normal level, then, under the influence of the same industrial motives, supply will be further increased, and the process will go on till this result is accomplished. On the other hand, if the stimulus to production carry the movement too far, and prices fall below the normal level, motives of the opposite kind will at once come into play to curtail production, and the price will rise till the normal level be once more reached. Competition, therefore, is at once the security for the correspondence of industrial remuneration with sacrifice, and also, because it is so, the security for the correspondence of the values of commodities with the costs of their production, as any advance in the price of an article, so soon as it becomes at all considerable, either attracts supplies from extraordinary sources, or deters purchasers, or brings substitutes into the field; by one or more of such means setting a limit to deviations, and preventing any great departure from the normal price.

When the famine in Bengal was pending, the Press of this country evinced much anxiety lest merchants, by storing supplies, should force up the price of food to a famine rate in certain isolated districts. A slight acquaintance with the doctrine of market or normal prices would have reassured such writers. Provided merchants have not the power to exclude supplies from any district, any advance in price beyond what the interest of consumers in the district required would be at the cost of the speculators whose operations produced it. In such cases it is desirable that the price should be raised as soon as possible to a point sufficient at once to compel the truest economy in consumption, and to attract supplies from the largest possible area. This would follow from the operation of natural laws. What an economic law asserts is, not that men must do so-and-so, whether they like it or not, but that in given circumstances they will like to do so-and-so—that their self-interest or other feelings will lead them to this result. As to

the action of the Government for the relief of the famine being a "setting aside of the laws of political economy," it would be just as reasonable to talk of precautions against a hurricane, or against a high tide, being a setting aside of the laws of physical nature. Will people never understand that a law of political economy is a law in no other sense than the law of gravitation; and that it is *not* an Act of Parliament, or a rule prescribed by any one, which Governors-General can "set aside"?

Supply and demand, in short, are the reciprocals of each other, and in effect the opposite faces of the same facts. An article is produced, and is offered in the market; it is now supply, but the possession of that article confers upon the owner a purchasing power, and that power being exercised, the article becomes a source of demand. Nor is there any other source from which demand can spring. Demand, as an aggregate, cannot increase without supply, nor supply without demand.

The term "abstinence" is the name given to the sacrifice involved in the advance of capital. The term would imply the sacrifice to be negative, but there is always a positive element—that amount of risk which is never absent from the advance of capital. Even for those with whom the sacrifice of abstinence would be slightest, a specific reward is needed to secure its exercise. But with those who are not included amongst the rich, with that great class of dealers and producers, from the ranks of unskilled labour upwards, whose aggregate savings form the main support of the capital of civilized states, abstinence, far from being a slight, is always a serious, and often a very severe sacrifice. The mere act of resisting the temptation to present enjoyment, and of repressing the urgent requirements of the moment, often constitutes in itself a severe discipline, and demands for its accomplishment no little strength of character; and to this has to be added the inevitable risk incident to industrial investment. Many people overlook the fact pointed out by McCulloch, that "parsimony, and not industry, is the immediate cause of the increase of capital. Industry, indeed, provides the subject which parsimony accumulates; but whatever industry might acquire, if parsimony did not save and store up, the capital would never be the greater." Political Economy states that the amount of money to be spent in wages at any given time is confined within limits which, the conditions of industry and the characters of the owners of wealth being what they are, cannot be permanently extended by the action of workmen; thence it follows that the scope for trades' union action is proportionally narrowed, and all attempts to accomplish a permanent increase of wages by such means, beyond what the unassisted action of supply

and demand would ultimately bring about, are doomed beforehand to disappointment and failure. The wages fund of a country, at any given time, must, at all events, find a limit in the total wealth of the country at that time, and manifestly, under any circumstances, it must fall very much short of that total; for, in order to maintain the stock of commodities of all sorts which, in any civilized community, goes to support the labouring population, a certain large proportion of the general wealth must exist in the form of fixed capital and raw material. The wealth available, therefore, for the remuneration of labour cannot, at the utmost, be more than the balance which remains after these indispensable requirements have been provided for, under pain of a complete failure of the fund. These are what we may describe as the physical limits of the wages fund, and they are obviously such as must be observed under all forms of industrial organization, even under a system of the most absolute communism. But within these quasi-physical limits there are, in societies organized as ours is, and resting on the institution of private property and personal freedom, what may properly be called economic limits—that is to say, limits arising from the action of human interests operating under the actual circumstances of man's environment in the world. The motive for investment is the prospect of profit, and according to the character of the owners of wealth will the strength of this inducement vary. Mr. Mill was the first to point out that there is a certain rate of profit, which is the lowest that will suffice to call the accumulative principle, leading to the investment of capital, into action. This lowest rate of profit will be different for different communities and for different stages of civilization. But, under all circumstances, there will be a minimum rate, below which, if the return on capital fall, accumulation, at least for the purpose of investment, will cease for want of adequate inducement. Mr. Mill has further shown that in all progressive societies, after a certain stage in their career is reached—that stage, namely, at which the best soils and the most productive natural agents of all kinds have been brought into requisition for the purpose of production—the tendency of profits is to fall, and ultimately to approach the minimum which exists for each society. This tendency is, indeed, constantly counteracted by the progress of invention and improvement in the industrial arts—including under this head the extension of the field for the division of labour—and the growth of trade, but, nevertheless, it continues to operate, and, on the whole, prevails against the opposing forces. The essence of this doctrine is that, in any given state of the arts, of industry, and of trade, the quantity of capital which can be employed in a country is strictly limited—limited by

those conditions which limit the inducement to save and invest—to perform those acts, that is to say, which constitute the source and spring from which capital is derived and fed; and in countries which have attained that stage in their economical development which England has long ago reached and passed, the accumulation of capital under the influence of the ordinary motives is, as a rule, constantly in excess of the amount which can be invested in the country consistently with obtaining the minimum rate of profit. These things being so, what can be the effect of any attempt on the part of trades' unions to compel, by pressure upon capitalists, an increase of the wages fund? I confess I am unable to see how, in presence of these considerations, founded as they are on incontrovertible facts, the larger pretensions of trades' unionism can be sustained. The permanent elevation of the average rate of wages, or, what comes to the same thing, the permanent elevation of the rate of wages in any branch of industry, not accompanied by an equivalent fall in some other branch or branches, beyond the level determined by the economic conditions prevailing in the country, is, as it seems to me, a feat beyond its power. What they do is something like this: the gain made by one class of workmen is, in nearly every instance, obtained at the cost of other workmen—those, namely, whose wages do not share in the particular advance. For instance, the journeyman shoemaker is benefited when, receiving a larger money remuneration, he pays the same for his clothes, hats, and bread; but the tailor, hatter, and baker, who, receiving the same money returns as before, have to pay more for their shoes, lose in the aggregate precisely what the shoemaker gains. The subsequent advance in their wages and prices deprives the shoemaker, for the future, of so much of the gain accruing from the advance in his case, and places them at an advantage as regards other workmen, whose wages and prices, rising in their turn, gradually restore them to their original position, though at the expense of those who, during the period of transition, profited by their depression. Thus each class of workmen gains by the advance of money wages in its own case; but as the circle extends, and the advance reaches other classes, those previously benefited part, item by item, with the advantage they had apparently secured, until in the end the real condition of each is restored to the original footing.

It is not disputed that workmen have, by means of combination, and by accumulating sufficient funds, very considerable power of acting upon the rate of wages; but the question remains as to the ultimate consequence of such action—as to its effect upon the workman's well-being, taking an extended view of his interest.

We will assume a successful strike for higher wages. The rate of profit having been previously at or near the lowest point at which there is an adequate inducement to invest capital, the action of the workmen has forced it below this point. As capital cannot, except at great loss, be withdrawn suddenly from industries in which it has once been embarked, the workmen may for a time enjoy the fruits of their success; but though capital cannot be withdrawn suddenly, it may be withdrawn by degrees—at the worst, by the simple process of not renewing it as it is worn out. Employers whose capital is bringing them a rate of profit below what they might obtain from its investment in other industries, or in other places, will seize every opportunity that offers for withdrawing it from an employment so unremunerative. After a little, the successful workmen will find that their services are not required, and will be compelled for their support to throw themselves on the general labour market; the inevitable result must be a fall in the general rate of wages, at least to its former level. The constant liability to a sudden reduction of profits from such causes would become an element in the regular calculation of capitalists, and before embarking in an industrial undertaking they would look for compensation in a rate of profit high enough to cover such risks. In other words, the action of trades' unions in forcing up wages under the circumstances in question, however it might for the moment raise wages at the expense of profits, would have for permanent consequence precisely the opposite result; for, by increasing the risks of the investment, it would tend to raise the minimum rate of profit, and, in proportion as it did so, to narrow the field for the employment of capital in the country. The aggregate capital being less, the wages fund, *cæteris paribus*, would be less; and, unless labourers consented to reduce their numbers, the general rate of wages would fall.

The conclusion is that though combination, whether employed by capitalists or by labourers, may succeed in controlling for a time the price of labour, it is utterly powerless in the hands of either to effect a permanent alteration in the market rate of wages as determined by supply and demand. These barriers are not to be broken through or eluded by any combinations, however universal, for they are barriers set by Nature herself. It must not be forgotten that it is the productiveness of industry only which affects the rates of wages and profits, in so far as it results in a cheapening of the commodities which enter into the consumption of the labourer. Therefore, the most objectionable features of trades' unions are the rules for "making work," the object of which is, by enforcing uneconomical methods and proscribing recourse to the facilities offered by nature and circum-

stances, to create a necessity for work which otherwise would not have existed. It does tend to cause a larger capital to be invested in certain trades than would otherwise find entrance to them, and thus either to raise the rate of wages in them, or to increase the number of labourers employed at a given rate. So much must be admitted. But, then, this end is attained at the cost of diminishing the sum-total of result from human industry; so that whatever gain it procures for the individuals or classes who benefit by it, is necessarily purchased at the cost of inflicting a more than equivalent loss on society as a whole. The very meaning of industrial progress is the increase of the productive result in proportion to the labour undergone; while the direct tendency of such rules is to increase the labour undergone in proportion to the productive result. They carry also the deeper stigma of sinning against the interests of civilization itself, for their spirit is antagonistic to all progress and improvement; and if they do not carry us back, as logically they ought, to a rejection of all the labour-saving contrivances and aids which art and science have won for industry, they would, at the very least, tend to stereotype industrial operations in their existing forms. It must be frankly confessed that other classes are as conservative as the working classes. In the practice of the legal profession, *e.g.*, there would, I fancy, be no difficulty in finding usages, not yet perhaps quite obsolete, conceived in this same spirit of aggrandizing a calling by "making work" for its members; whilst the practice of counsel, of taking their fees and not appearing in the case, is a disgrace in a profession whose primary object is to see justice done between man and man. What, indeed, is the opposition given to law reform by too large a section of the legal profession but a flagrant example of this very spirit—a readiness to sacrifice the interests of society at large to those of the legal profession —to arrest the progress of social improvement, in order that work may be found for a few lawyers the more? Unfortunately, the notion of aggrandizing one's order by "making work" is deeply imbedded in the practical modes of thinking and acting of nearly all classes; and it, therefore, needs all the more to have its true character laid bare without reserve, and to be duly stigmatized as the most intensely selfish and the most flagrantly anti-social of all the plans of conduct by which at various times different classes of society have attempted, in disregard of the general social weal, to advance their several interests.

It is impossible to underrate the influence of the Co-operative movement. The "Equitable Pioneers" of Rochdale have not only taught a lesson to the highly-trained Civil Service of this country, but when the latter were accused of lessening their powers by giving

the better part of them, not to their employers, but to the Stores, this association came to the rescue, and, with great chivalry, gave the help of its strong arm to prevent the new comer from being crushed. English Co-operators have never boasted that they were going to renovate English society, and the consequence is, undoubtedly, that by their aid, English society has been spared a good deal of the friction which we see elsewhere. Co-operation has been eminently fair in its competition, and has organized thrift on an irreproachable footing, though a great deal more has to be done in that direction. Co-operation has been the best friend of capital, and is, therefore, the strongest ally of the middle class. Co-operation will not destroy the middle class, but remove a hard and fast line of demarcation between two classes of the community. Co-operation is, in reality, one of the highest forms of intellectual democracy. The members of Co-operative societies will bring to the solution of other questions a mind well trained, accustomed to that sobriety of judgment, to that self-discipline, which excludes the possibility of lending a willing ear to chimerical schemes of nationalizing capital, and of equalizing all incomes. A Co-operator is self-helpful, self-reliant, and repudiates the Socialist idea of the State helping the labouring classes. All such schemes tend in the most direct way to the demoralization of the labourer himself, by relieving him from the obligation of sacrifices which, in the order of nature, all must undergo as the condition of the rewards which attend on industry and parsimony, and so placing him in a position of privilege in relation to his fellow-men. If labourers or others can obtain capital by asking for it, or if, having failed in their undertakings, they are to be relieved from the consequences of failure, and to be started anew in fresh enterprises, it is idle to expect that they will exhibit the self-denial and providence through the exercise of which capital comes to exist and industrial enterprise to succeed. The practice of these virtues would still, indeed, be the condition of attaining the industrial results, but the virtues, if practised at all, when the motives for practising them had been taken away, would be practised by one set of people, and the results reaped by another.

Political economy has solved nature's problem for giving different countries distinct advantages over each other. The commercial instinct led to the exploration of the world, and unravelling its wonders. The love of bartering is strong within us, yet a false view of national policy regarding trade restricted commerce. There can be no doubt of nature's intention of bringing all men into closer relationship and dependence on each other. Free trade helps, protection prevents this; and this great controversy, unfortunately, is not yet extinct.

Protection circumscribes and crushes trade, and has also a bad

effect on the morale of industry; when once the industrial classes of a country have been taught to look to the Legislature to secure them against the competition of rivals, they are apt to trust more and more to this support, and less and less to their own skill, ingenuity, and economy in conducting their business.

"Consumption," says Adam Smith, "is the end and purpose of all production." The end and purpose of all trade is to cheapen production, and so to minister more effectively to the ultimate end —the need of the consumer. The benefit of trade, therefore, consists, not in the profits of traders, but in the advantage which it brings to those for whose behoof the trader exists. It is true the trader's motive, when engaging in trade, is to make a profit; but not less is his *raison d'être* as a trader to minister to the wants of others. He must have his profit, or he will cease to trade; but his profit, though an incident of the good resulting from his office, is not the measure of it. The measure of the service which he renders, of the importance of his function, is not this, but the benefit he confers on the community whose servant he is; and this benefit is great in proportion to his success in serving the consumer—in other words, in cheapening commodities, in diminishing the obstacles which exist to the satisfaction of human wants. The advantages of free trade are such as result from a more effective distribution of the productive forces of the world. Supposing a universal freedom of trade, it would not, indeed, follow that every product of industry would be raised precisely in that part of the world in which it could be raised with greatest advantage; but what international trade, if allowed free scope, accomplishes for mankind is, that the industry of the world is carried on, not, indeed, with the utmost possible advantage, but with the utmost advantage practically, regard being had to the manner in which the world is peopled and to the condition of its inhabitants. Free foreign trade not only cheapens commodities, but renders them more abundant; not only supplies us with commodities more cheaply than we could produce them from our own resources, but supplies us with many commodities which without we could not obtain at all. I think you will agree with Sir Robert Peel, that the policy of a Legislature should be to leave the people of a country free in every way for their internal and external trading, leaving it to their self-interest to ascertain where to buy and sell best, or, as it is put, "find the cheapest market to buy and the dearest market to sell in."

The science of political economy needs to be more generally understood. Professor Cairnes' work is very clearly expressed, and his arguments can be followed by the merest novice. But it is useless storing our minds with other people's thoughts. This has been done

long enough, more especially as regards this science, the study of which should draw out and develop and utilize our mental faculties in the conduct of business. It must be more impressed on the young how important it is to turn to the best account the educational facilities placed within their reach, as, after leaving school, life is so hurried and so busy that there is little opportunity, after attaining to manhood, of repairing the negligence or indolence of our early years. Parents should impress this idea more on their children's minds, by giving examples in their own career of instances known to them where chances have been lost through ignorance and incapacity to take the higher position, as although success and mental culture are not synonymous, the one very often depends on the other. In the well-trained, cultured mind, thought breeds thought; and thought, with earnest people, leads to action; and success "is a damsel that needs a deal of courting; crowds of wooers have made her saucy." So you must act as well as think; man gets but to give, not to selfishly retain. As the reservoir gives out as well as takes in, thus preventing stagnation, so the man who gives out the intellectual waters of his mind is sure to be benefited thereby. A fact is a dead thing, but thought gives it life. It is not by reading, but by thinking on what we have read, that knowledge is increased and the mind enlarged. It is told of Milo that he took up a calf and daily carried it on his shoulders; as the calf grew, his strength grew also, and he at last arrived at firmness of joints enough to bear the bull. If we only take up and digest what we read, our intellectual strength will increase accordingly. It is no easy matter to set oneself to real practical thinking; but if a well-cultured mind is to be obtained, it must be done. Thoughts have been well termed the seeds of acts. It has been said, and may be accepted as a truism, that "nothing is denied to well-directed diligence." Calculation proves to us that before diligence can be well directed the powers of the mind must be brought into active service. There is such a thing as idle and worthless diligence. When a person does a thing wrong which a little thought would have enabled him to do right, and he does the same thing over again, then he has been idly diligent. Diligence without calculation and thought is weak; diligence with thought and calculation is strong, and achieves success.

"Believe me,
In your own bosom are your destiny's stars;
Confidence in yourself, prompt resolution,
This is your Venus! and the sole malignant,
The only one that harmeth you, is Doubt."

SCHILLER.

PRUDENCE.

"Want of care does us more damage than want of knowledge."

"For want of a nail, the shoe was lost; and for want of a shoe, the horse was lost."

"Beware of little expenses."

"A small leak will sink a great ship."

"He who saves not as he gets may keep his nose all his life to the grindstone, and die not worth a groat."

"A fat kitchen makes a lean will."

"Would you be rich, think of saving."

"Get what you can, what you get hold;
'Tis that will turn your lead into gold."

FRANKLIN.

IF you would be wealthy, think of saving as well as of getting. This habit is formed by a simple rule. Having twenty shillings a-week, you spend it; if you had but eighteen, it would have to do. Act *always* as though you had the lesser sum, and the habit of saving is acquired.

Prudence may be defined as wisdom applied to practice, and the possessor of it will only allow his trade to increase in proportion to his capital; if the trade increases too fast, prudence will reduce it within the limits the capital justifies. More fail from doing too much than too little. We must learn, and be strong enough to walk before we can run.

This is a very important business quality, and comprehends discretion in reference to actions to be done, and due means and method of doing or not doing.

"The green sward is torn up and trampled down; man's fond care of it, his fruit-trees, hedge-rows, and pleasant dwellings blown away with gunpowder, and the kind seed field lies a desolate, hideous place of skulls. Nevertheless, Nature is at work; neither shall their powder devil kilns, with their utmost devilry, gainsay her, but all that gore and carnage will be shrouded in, absorbed into manure, and next year the March field will be green—nay, greener. Thrifty, unwearied Nature, even out of our great waste educing some little profit of thy own, how dost thou, from the very carcase of the killed, bring life for the living!"

The advisers of a nation should imitate nature, and teach lessons

of self-denial and prudence, however unpalatable such doctrines may be to many. I agree with Sir John Lubbock, that the surplus, or part thereof, should go yearly to paying off the nation's debt. Sir Stafford Northcote's is a step in the right direction. I am well aware of Ricardo's argument, that to benefit a nation, you must increase her capital or reduce her expenditure, neither of which objects results in paying off a debt, for which the minimum of interest is paid, and to pay off which you apply money that might be turned to more profitable account by the people at large. To this I answer, the fundholder, to keep up his income, must invest his principal in some concern which is remunerative; so that at the end of one or two years after the debt has been paid off—say, to the extent of £10,000,000—the net result of the transaction is this, the tax-payers are in possession of the interest, amounting to £325,000, to spend as they please, the fundholder getting that amount of income from railways, &c., and the capital of the country, in all probability, expanded by £10,000,000. In short, the fallacy to combat lurks in the circumstance that by incidence of taxes there is no reason to believe that the available capital is ever sensibly reduced; while, if the debt be paid off, the majority of fundholders would be strongly pressed by circumstances, and some of them would even be compelled to devote the principal to productive purposes. To a certain extent, one must agree with an able writer on the subject, who says to Sir Stafford Northcote that the whole problem turns on the speculative question whether the seller of Consols, to whom you transfer the £10,000,000, will employ it, probably, more profitably than the payer of income-tax, from whom you extract it. You are taking away money which, if left to fructify in the pockets of the people, would bring in 10 per cent.; whilst, applied to paying off debt, it yields only 3¼ per cent. The surprising thing is, all these writers ignore the highest moral reasons why nations, like individuals, should never miss an opportunity of paying off loans. They argue in this way: A has borrowed of his banker, in time of need, £100, for which he only pays yearly 60s. or 65s. interest. Now, as A can make £7 or £8 by using this money, the temptation is too strong for his moral nature to resist, and he remains in the banker's debt; but this is a penny-wise and pound-foolish policy. Observe, a panic comes, and the banker, instead of being available for help, more probably will then require the loan to be paid, or will certainly charge a much higher rate of interest than he would have done "had you paid him off when you should have done." As with the individual, so with the nation. Periodically, times of panic or mistrust occur, and there is a fearful loss in depreciation of the monetary value of the debt, and, if a loan be required, a higher rate is asked than would be the

case if the nation were known always to begin paying off yearly when the crisis in her affairs had passed. This must continue to be the national policy, endorsed by the prudent foresight of the people generally, so as to insure its permanency; Consols will rarely at any time vary in price, as every one all over the world will be only too willing to lend money near par to a nation that not only punctually paid the interest, but, on moral grounds, made every effort to pay her debts.

Although no one will deny that the National Debt, when incurred, was intended to be paid, yet the popular sentiment regards the debt charge as something vast, massive, and permanent, which must be endured without impatience, and with little hope of relief. But it cannot be too generally known that the burden, however heavy it may be, can be, and has been, lightened by the labour and ingenuity of financial statesmanship. Ask any one about it, they will tell you the debt is about £800,000,000, and that all efforts to reduce it will be of little avail. The Parliamentary returns published October, 1882, however, prove that for the past quarter of a century—in fact, since the winding up of the charges for the Crimean War—the reduction has gone on steadily from year to year. In 1857-58, the total amount was £839,000,000; in 1865-66, at the close of Mr. Gladstone's most brilliant period of financial administration, it was brought down to £815,000,000; in 1868-69, when the Conservatives had held office for three years, it had fallen to £803,000,000; in 1873-74, a greater advance had been made, and the debt stood at £782,000,000; and in 1875-76, the process having been uninterrupted by the change of Government, at £772,000,000. At this point there was a turn in the tide, due mainly to the exigencies of foreign politics, and until the last financial year 1881-82, the debt never stood at so low a figure as in 1875-76. Last year it was £768,700,000, and for the present year the official estimate fixes the amount at £763,000,000 —that is, £76,000,000 less than the debt as it stood five and twenty years ago. In addition to the £76,000,000, the State has purchased the rights of the Telegraph Companies, at a cost of nearly £11,000,000; and the Suez Canal shares cost £4,000,000; also, the loans to public bodies. We have about £43,000,000 of assets to be subtracted from the £763,000,000 of liability; so that, in reality, the debt is £720,000,000, or £119,000,000 less than the amount owing by the State a quarter of a century ago. The decrease in 1881-82 was £5,868,000; and there is no reason why, under existing arrangements, as introduced by Sir Stafford Northcote, of taking yearly from interest and surplus a fixed sum, the debt may not be steadily reduced £5,000,000 to £6,000,000 annually without the tax-payer knowing anything about it.

Contrast our policy with that of Russia. In October, 1882, Russia contracts a new loan for £8,000,000 sterling, which brings up the total of her outstanding debt to £553,000,000 sterling, taking her internal obligations at the reduced rate of twenty-four pence per rouble. We have reduced our debt *one-seventh* the last twenty-five years; Russia has nearly *doubled* hers since 1872, the annual deficit in her finances averaging £24,000,000, whereas during twenty previous years it was only £11,000,000 per annum. Holders of Russian Stock should reflect upon the following table, which shows the income and expenditure of Russia for the last forty years:—

Date.	Revenue.	Expenditure.	Deficit.
1843-52 ..	£ 302,000,000 ..	£ 363,000,000 ..	£ 61,000,000
1853-62 ..	376,000,000 ..	484,000,000 ..	108,000,000
1863-72 ..	417,000,000 ..	523,000,000 ..	106,000,000
1873-82 ..	615,000,000 ..	856,000,000 ..	241,000,000
	£1,710,000,000	£2,226,000,000	£516,000,000

Another decade of the same character would suffice to bring Russia to the brink of a precipice; and even at present, the Finance Minister, Bunge, may say to the Czar, in Necker's words to Louis XVI., "The dangers that surround the throne are less social than financial." Part has been spent on railways, but the bulk of the debt is due to that devastating plague, "war." The account stands thus: Railways and telegraphs, £155,500,000; Crimean War, £142,000,000; Turkish War, £133,000,000; Khiva, &c., £85,500,000; total, £516,000,000. War expenditure is the millstone around the nation's neck; nations cannot do wrong with impunity.

> "God stood not, though He seemed to stand, aloof;
> And at this hour the conqueror feels the proof;
> The wreath he won drew down an instant curse,—
> The fretting plague is in the public purse."
>
> COWPER.

We have got into a dangerous position, if the latest idea is to be followed up, of being the protector of lawful authority. Our own debt was incurred solely by war, and the present position of Russia, through the eagerness of her governors to involve the country in war, should act as a warning and teach us "prudence."

Prudence suggests the advisability of tempering our industrial energy, as in the relaxation of social and domestic life we become less selfish, and must often pause to ask ourselves to what end we pursue, through successive days, objects which would be of no value if attained; prudence then steps in, and counsels giving up a fruitless struggle. Life is too short to be given up to fights which end in

nothing, and we should listen to the counsels of reason and peace, which an active cautiousness will and does nearly always suggest. Do not encourage habits which stimulate enviousness, and make you jealous, stony-hearted, and mistrustful, shutting you up in yourself, and producing the feeling of having no faith in anybody, and believing nothing. It is wise to avoid those men who are their own great-coats and cloak, always being wrapped up in themselves. The necessity for strictest economy comes to us at times, and either hardens our hearts or intensifies our intelligence and the action of our common sense. If selfishness does get in, root it out; it is a pregnant seed, and every cruel, cowardly, false action of a man's life may be traced thereto—self, grasping, eager, narrow-ranging, over-reaching self, with its long train of suspicions, deceits, and all their growing consequences—ending in making you one of those purse-proud, crane-necked, clean-brushed, pacific individuals who, in dry or wet weather, never appear without their umbrella. After all, we toil for what? Food and warmth. Yet this nameless unrest urges us on, and seems to render impossible the living a simple life, trying to do well ourselves, and helping others to accept life and its struggles humbly, hopefully, and gratefully. The yearly losses by bankruptcy and arrangement are over twenty millions of money. It is paying for experience at a heavy rate, but such lessons are sound, and not soon forgotten. They teach us that we cannot afford to do with or trust second-rate people, and that all tradesmen who speculate, no matter what their position may be, should be considered as second-class, as they have the gambler's spirit in them, and may come to grief any day; and there is seldom any warning, except to the few very intimate with them, of the collapse that is inevitable in time. Practical men base their hopes upon past experiences and present influences, because as surely as the seasons govern the harvest, just so surely do natural causes govern the fluctuations of trade. Past experience teaches sensible men not to be sanguine, but to look at the state of the country where their products are sold, and base their calculations upon the state of affairs existing in the different localities. The symptoms in many departments of modern commerce are full of warning. Unfortunately, those to whom such lessons might be most useful seem to be unacquainted with them, or unwilling to take them to heart. You may be as happy with a small as with a large income; to be a little straitened at first is no bad discipline for young people, causing them to exercise self-denial, and heightening their enjoyment of easier circumstances when they come.

More importance is needed for small things. Impress on all about you the necessity these competitive times enforce on us of

prudent habits. Avoid waste in tying up parcels, or using two or three sheets of smaller-sized paper to save the trouble of getting one the right size. A prudent manager will see that paper and string, yard-sticks or implements necessary for carrying on the trade, are supplied, and in their right place, and have all bits of string, paper, &c., tied up and used. Prudence is essential to success, as capital can only be created by saving, and, when people have not saved themselves, can only be honestly obtained by offering to those who have saved an adequate inducement, in the form of interest and security, to prevail on them to part with it. If the working classes are to emerge from their present position, they must learn to save.

The highest prudence is displayed when you can put yourself in such a position as to secure a happy or successful issue to your actions; this, of course, is not always possible, but, as a rule, it is possible to estimate the probabilities, and when the risk seems on the one side the prudent man will do that which is best for his own safety.

In matters of importance, it is prudent to conceal our intentions, or we may be anticipated by others; and it is generally prudent to conceal motives, and not be too confidential with strangers. "When a prudent man," says Chesterfield, "gets into that predicament that he must ask himself more than once what he shall do, he will answer, 'Nothing.'" A little busy mind runs on, at all events must be doing, and, like a blind horse, fears no danger because he sees none.

What is the time or age for a prudent man to commence business? This is difficult to answer. A great deal depends on the man's knowledge and his previous training; experience is a relative term. Some at twenty know more than others at forty. Knowledge is the one thing needful: experience, like teaching, is one of the ways of arriving at knowledge. "Wise men are instructed by reason, men of less understanding by experience, the most ignorant by necessity."

In war, literature, statesmanship, the greatest exploits of the most renowned men have been performed at an early age. "Of all the great human actions ever heard or read of," says Montaigne, "of what sort soever, I have observed, both in former ages and our own, more have been performed before than after the age of thirty; and ofttimes, in the very lives of the same men, the latter half of their lives they live upon the glory acquired in their youth—great men, it is true, in comparison with others, but by no means in comparison with themselves."

A man, if he means to make a business of his own, should be in business before thirty, if he have the necessary capital, or his friends will advance him sufficient to embark; it being understood money

so advanced is lent for sufficiently long a period. The wiser plan now is to borrow under the limited Partnership Act, by which the lender is responsible only for the sum specified, and is paid by a proportion of the profits for a fixed period of time.

You cannot be too firm in refusing to become security, accepting accommodation bills, exchanging cheques dated on, or lending money; and in all correspondence of importance, or likely to end in litigation, keep strictly to the point at issue. Keep copies of letters, and memos. by whom posted or delivered.

Partnerships are prudent, if the business be large enough, and when each partner has separate and distinct duties, or when it is necessary for them to be in different places, without a constant supervision of the other; but they are imprudent to carry on a small business where every transaction comes under the supervision of each partner; and you must certainly avoid the covetous man, the obstinate man, the passionate man, or the man involved. In general, it is imprudent to take a partner when the business can be managed without one.

Employers should ascertain the private habits of their employés, and creditors their debtors'. The man, be he employer or employed, living beyond his income, must come to grief some day.

Prudence suggests the injudiciousness of parents training their children, and the State of educating its people, above their station in life. Nothing can be more pernicious, or likely to bring forth more disastrous fruits. It is very well for Mr. Gladstone to tell the working classes not to forget their station, and to keep the better education they will now get subordinate thereto, and to be contented; but the higher culture must produce greater ambition, for which there is not adequate scope for all. Uneducated, they refuse to do certain work at the present time; educate the mass, and the difficulty of getting the lowest class of work done will be great indeed.

Teach *all* to be provident; tempt your children, employés, and customers to save, by a liberal interest; encourage those who save. As a rule, a man in business, or starting in business, can be entrusted with your money—that is, you may safely credit him—if he has been always careful of his own; whilst prudence would advise you not to entrust your money to any man who was never able to take care of his own. You must be able to say "No" if you want to succeed: not being able to say this word ruins many. On the one hand, they overbuy, not being able to say "No" when tempted; on the other, they give credit when they ought to refuse it, or do not stop an account when it is heavy enough. Such people

are called by the thoughtless "good-natured." This should be "reckless-natured," as this *easy* manner of doing things inevitably brings ruin; and losing their own and other people's money by not paying their just debts is not good nature, but most reprehensible imprudence.

We must cultivate a greater attention to business matters, and produce, if possible, a temporary greater watchfulness, "to promote the early and provident fear which," says Mr. Burke, "is the mother of necessity." Labour and money are two very reckless forces, and much given to waste themselves, especially if there is somebody to draw or fall back upon. You must distrust that lazy way of thought which acknowledges no danger until it thunders at the door. Be on your guard always against the velvet paw, the smooth and soft exterior of any person or system which is dangerous to the moral foundation alike of the individual and the nation, but which we are all liable to encounter in our daily walks through life. The greatest danger to the young of our day is the tendency to smoke and drink. Let us feel as Alexander told his brother, James Z. Simpson, that "others may do this, but it would break all our hearts, and blast all your prospects, were you to do it."

Prudence objects to the substitution of small farms for large ones, for to make labourers, as a class, dependent upon the produce of their own little piece of land, would be simply to turn back the course of events, and to surrender gratuitously the results of past experience. Whatever else peasant farming might effect, it could not produce mutton economically, as sheep require an extensive run, and a large flock can be managed for very little more outlay than a small one. Therefore, as the demand for mutton is certain, and likely to increase, the large-farm system must prevail on soils suitable for sheep culture, and incapable of producing good corn crops—as light chalky soils—without the aid of sheep. A dry season, again, must inevitably break the backs of small farmers on such soils, while large farmers are only hit hard, but, possessing capital, are able to tide over such trials. The same principle applies to small businesses. Times are against the small traders; it is necessary to order so long in advance, hold such large stocks, and do such a large return to cover expenses inevitable to all, but the per-centage of which is less in proportion to the return to the larger than the smaller, that the latter has a very arduous, envious, up-hill task to perform. Reflected on, it seems natural, for the general good, it should be so: commerce is only going through the same ordeal manufacturing industry has passed and is continually passing through, as new inventions and labour-saving machines are perfected. In arguing for the smaller against

the larger, there would be no more reason in the argument than arguing in favour of hand-loom weaving or stocking-making by hand, either of which may still occupy an idle hand or an odd hour, but would scarcely be put forward as likely to win back the ground from which they have been driven, and to supersede the employment of machinery and of large capital.

Competition now is very keen, causing diminution of profit, and all expenses are increasing. An energetic prosecution of business makes large drafts on the physical constitution, and the mental anxiety and financial responsibility all are not able to bear. Any one who has a good situation should not abandon it for light reasons. The task of the employed, however arduous, is easier than the employer's. His labour is never ended. If away from business, its cares are ever present with him, and affect his mental and bodily health. This should be weighed against the trifling consideration of being your own master. Make a calculation what trade you are likely to do, the profits and expenses, before starting; and, unless you see the way clear to establish a trade successfully, if you are in a good situation, obey the dictates of prudence and leave well alone.

Employers should never allow assistants to leave them because they are underpaid. Men should be worth more yearly, as they can do more with less effort when they have been with you for years, and know all the arrangements and customers, than in a fresh situation; so, with very little earnestness, assistants should be worth more at the end of every twelve months. Advances should always be voluntarily given, and the services of those assistants really competent to commence business for themselves, should, if possible, be retained. Many old businesses decay for no other reason. The employers have capital and good established trade, but are too old to alter their system and go with the times; and instead of taking in the new blood, they let it leave them, to introduce as competitors the more modern ideas amongst their connections. The result, a decaying trade, is inevitable.

Having decided on commencing business, you will, as soon as premises are taken, insure your house, stock, fixtures, &c.; and for the first few years, or, at all events, until you may consider your position secured, spend no more money, no matter how successful you may be, than you did when in a situation, as you will find your stock and book debts increase faster than your capital; and the real struggle to hold your position begins from the end of the second or third year, when every penny you have saved will be of great service to you. Remember, humility is young ambition's ladder. Always appear and act as though you were poor, living within your

income; and after you have succeeded, if you still remain in business, always try and live on a sum that, if you were to retire, your capital, if invested, would produce. Many have to stop in business long after they are unfitted for its labour, because to retire, in their case, would mean a retrenchment of expenditure they are not able to undergo. As it is not what we eat, but what we digest, which strengthens us, so likewise it is not what we earn, but what we save, that is the foundation of all capital, which means the accumulated savings of all the provident men who have preceded us. Unfortunately, the tendency of our day is for spending. Since the habit of living away from business houses has become so general, the private expenses of tradesmen have increased amazingly. This makes them all too eager to make money, and prudence is lost sight of in many dealings. If your business be prudently managed, there will be no need to borrow money —there is no necessity if you manage your business properly, and avoid overbuying, which is the ruin of many. Having overbought, you are unable to take your discount—a serious loss—or to meet your bill; step number one on the road to ruin. Or, as is too often the case, bills are met, but by forcing sales at a fearful loss. Unless the iron enters into your soul, and you see the rock ahead, and firmly resist temptations to buy, your failure is only a question of time. It is the great evil of most trades. Do not rely on the stereotyped excuses for being in difficulties—"want of capital," "shortness of money," &c. The thorough man of business uses his capital to the utmost; so the richest are as short at times as the poorest. Those who fail do so from not seeing their own faults, and do not, therefore, take the necessary steps to improve; they want power of will to make the best of their position, and faith in time, patience, and energy, which work wonders in meeting financial and other troubles. Press on; try and try again; never despair. Hope and reliance on self is the policy of all self-made men. This ruling our lives and actions upon sound principles produces a general feeling of contentment and peace of mind, the value of which passeth all understanding. How many are miserable and discontented for no other reason than the chimerical idea they form of other people's happiness. People require to be taught more to live a pure and honest life, to be and not to seem, to do and not to talk, to think of their duties towards others. Such plain teaching is needed by, and would be good for, us all. Society is too fond of the ready tongue, for saying nothings—a reverence for its practices, however absurd, and a concurrence in all its prejudices. You are expected to laugh at goodness, simplicity, purity, and honour —at grandeur of soul, a noble love, or a great ambition worthy of the name. You are expected to share in its heartlessness, in its selfish-

ness, in its meannesses; if you cannot do all this, and yet wish to succeed, great prudence and tact will be necessary. Why is this? Because the bulk of society are not satisfied with their true position, and are inwardly consumed by a raging fire of disappointment and ambition, and are running an endless, or at least a lifelong race, in the course of which friend and foe, and every one who does not help them, is a hindrance. Ambition is the horse. How often he breaks down ere he reaches the winning post! And what is won? In the majority of cases what word is small enough to be true? *Fame* is too great, *pleasure* would be falsehood; *popularity*, perhaps, is meant, for it is unstable as the wind, and its phases may aptly be likened to the phases of such a position. If successful, it is true you have friends: they are flowers that grow fast in the soil of success. But

> "What is such friendship but a name,
> A sound that lulls to sleep,
> A shade that follows wealth and fame,
> But leaves the wretch to weep?"

So, my friend, whether you be young, bright, and eager in the thick of successful battle, with the hopes and possibilities of life before you, with strength of will to do and dare whatever you will, or much spent in the battle, bruised and beaten by the waves of this troublous world, but breasting them steadily with a purpose which must sooner or later bring you to the haven you would be in, remember those only are happy who have their minds fixed on some object other than their own happiness: aiming at something else, they find happiness by the way. The happiness of others, improvement of mankind, occupation, or some art or pursuit,—anything is better than the mere money-maker, who, to obtain a position, disregards prudence, too often becomes the slave of covetousness, and tramples under foot justice and equity—for what? Can the rich eat more, sleep more, enjoy more, or have more health and strength? For contentment of mind, the industrious, persevering, thoughtful, prudent man need fear no comparison with, or be envious of, any one. We must guard more against "thoughtless waste," than which there are few things more ruinous to men and nations. To make the most of what we have, is "wise prudence;" to aim at the impossible—

> "To gild refined gold, to paint the lily,
> To throw a perfume on the violet,
> To smooth the ice, or add another hue
> Unto the rainbow, or with taper light
> To seek the beauteous eye of heaven to garnish,
> Is wasteful and ridiculous excess."

TACT.

"To make a virtue of necessity."

"When they are at Rome, they do there as they see done."

"To be prepared for war is one of the most effectual means of preserving peace."

"He had formed plans not inferior in grandeur and boldness to those of Richelieu, and had carried them into effect with a *tact* and wariness worthy of Mazarin."—MACAULAY.

TACT is really, in addition to being an intuitive insight into character, the qualification most essential to success in knowing how to do a thing at the right time—the secret of almost all great commercial successes.

Tact is important to parents in the management of their children—rectifying their weak points, not by the old system of repression, but by developing others to control and use the seemingly bad qualities of our nature. All our faculties are good if properly exercised, and our happiness consists, not in being without passions, but being their master; mischievous, unruly boys and men are so often from want of more occupation, and the wise parent, employer, or Government will find them appropriate work to do.

Tact is a kind of intuition, by which its possessor can do at once and often better than those who have had long experience, but are deficient of tact, things that require alike cultivated taste and judgment. Many men seem able to know intuitively the best thing to be done in any emergency. They have clear heads, with power to grind well whatever goes therein; their eyes have been attentive, and are in the habit of looking into everything, and so they bring all their forces into life's daily battle. These men will understand everything; they are no loiterers in the world's worship, dawdling about, but men with a vocation in life, which they willingly accept, and mean to follow with all their might. Brains are useless without this straightforward, hard work. "Rolling stones," they say, "gather no moss." Human beings are worse, for they not only do not gather any moss, but pick up in their downward descent all the foul weeds they pass over.

In the management of men tact is essential; managers without it, by provoking a feeling of opposition or antagonism, multiply immensely their labour. As a buyer, it enables you to instinctively

feel how far you can go in asking concessions in price or time; and as a seller, in reading men—and, adapting yourself to them, it is invaluable. It is painful to see travellers without tact. They have mistaken their vocation, and treat all alike, when nearly all men require different treatment, some requiring the seller's judgment, the majority believing in their own; but many travellers employ the same stereotyped expressions, and expect you to look, busy or not, and try and force you to buy, whether you are disposed or not.

In managing various classes and different interests successfully and equitably, great tact is required. This quality can only be acquired by skilful education or rare intelligence, combining the highest technical knowledge, forethought, caution, and persuasive powers of expression; but all may have it more or less, and as a salesman, there is ample scope for its employment. There is no art in selling an article when the buyer is inclined to buy; the difficulty is to get him into that frame of mind, and to succeed after he has resolved not to buy; this requires skilful manipulation, and you must understand how to set to work—as a rule, by introducing weather, trade, or leading topics of conversation of the day, and then seize the first opportunity that presents itself for showing samples or asking for an order. Assuming you can do this, you need not be cautioned not to bore any one; unenlightened selfishness is glaringly apparent when the seller tries to force his wares, utterly regardless whether the buyer wants the articles or not. It is wiser by far rather to caution against buying, more especially if you think the article selected not likely to please the class of trade it is being bought for. A simple rule is to put yourself in the customer's place, and acting as a seller towards him "as you would like to be acted to if in his place" as a buyer, giving him impartially your opinion, and always acting so as to obtain the buyer's confidence.

To succeed, a capacity for understanding other people is required, paying due deference to their opinions, feelings, and even prejudices, a recognition of their rights, and the disposition to give and take. It is manners, in fact, that make the man, and it is impossible to be too courteous when attending to a customer. Many are delicately sensitive, and feel immediately any apparent want of attention. Some customers are very hard to please, and grumble at everything submitted, as if nothing was half good enough for them, and attribute any delay in the execution of an order to your being above appreciating the value of their custom.

A business man requires a nice temper. The worries and annoyances daily, owing to errors, are great, and the misconstruction put upon an act by customers when anything is done wrong is

to many a grievous trial; but these trials and difficulties are the things that bring out the character of a man. Troubles do not change the nature of an individual; they only give the opportunity of showing what is there. In all such cases a spirit of conciliation is an important thing: allied with time, it reconciles and remedies many feuds. In business one often receives the most abusive letters, imputing the worst of motives; or, if you remind a customer he has not paid an account, with the same you get a letter not calculated to improve your digestion. But in all such cases tact tells us to give the most courteous treatment and best attention. Too much talking will more often drive a customer away than a want of explanation. Considerable judgment is needed on this point, as there are many others who require to be talked into buying. It is the salesman's duty to ascertain the character of his customer: he ought to be able to read a face like an open book. The success of the best salesmen may be attributed to the fact of their being able to read character. This faculty is intuitive with the thorough business man, but it may be acquired by all with observation and attention. All men are approachable one way or another: if you know your business, you know how to meet them. It is most important to every man to be able to discover the bent of mind of those he comes in contact with. Mark the different ways of parting with a customer: some are always in a hurry to be off; others, after buying, feel disposed to stop and chat. Great tact is required in getting customers to leave when they have ceased buying without evidence of the desire being manifest, and in parting with the customer no opportunity should be lost to leave a favourable impression on his mind—offering to send the parcel, or, if a country customer, to receive parcels for enclosure, or offering to make one of two or three parcels; whilst the value is incalculable of a pleasant recognition or kindly nod on entering or leaving a shop, as we all like to be thought something of, and our *amour propre* feels slighted if we enter and leave a shop as though no one cared whether we came or not.

There are no two persons who can walk long together in this world without having much to bear with each other, so full are we of imperfections. In one's life, how one mistake leads on to another, involving us further and deeper in the meshes! As a rule, at first we throw the blame on every one but ourselves, and would like to revenge ourselves on the world in general; but those endowed with common sense soon tear away the softening veils, and see they have themselves only to blame, and deserve what has come to them. Tact is needed in a friend to show us our weaknesses; also with employers and parents. How many do harm instead of good in their manner of

rebuking; wounding, instead of rousing, the self-respect of those they reprimand! The matter may be right, but there is a deal in the manner whether the rebuke be beneficial or otherwise. So with praising; great tact is needed, especially with children. You want to encourage and stimulate to greater exertion. Still, rather than make them vain, let it be rare; but when you do praise, do it properly. You cannot train children properly without the judicious use of this power, or command others satisfactorily unless you have this gift naturally. It cannot be learned; art and experience can only refine its expression.

Men of the world—the mere sycophantic, servile tribe—abuse this art; also the "Pecksniff" class, that lie and fawn, and worm themselves through dirty ways into favour. Nothing pays for such crooked deeds and meannesses, for which nature has her punishment in sons of the "Jonas Chuzzlewit" type, taught and trained, by example and precept, to be sly, cunning, and covetous. Still, a true tactician will avoid the impression that he is indifferent to, and independent of, your support. Unfortunately, with modern scepticism there has grown up a want of reverence for superiors and authority. Carlyle says: "Fools, were your superiors worthy to govern, and you worthy to obey, reverence for them were ever your only possible freedom. Independence in all things is rebellion; if unjust rebellion, why parade it, and everywhere prescribe it?" That Liberal Utilitarians, or whatsoever they are called, will ultimately carry their point, and dissever and destroy most existing institutions of society, seem things which have long ceased to be doubtful. Our European mechanisers are a sect of boundless diffusion, activity, and co-operative spirit—their schemes all admirably calculated for destroying only, not for rebuilding. True it is that in these days man can do almost all things except obey. True likewise, that whoso cannot obey cannot be free, still less bear rule: he that is the inferior of nothing can be the superior of nothing, the equal of nothing. Nevertheless, believe me that man has lost his faculty of reverence—that if it slumber in him, it has gone dead. Painful for man is that same rebellious independence when it has become inevitable; only in loving companionship with his fellows does he feel safe; only in reverently bowing down before the highest does he feel himself exalted. Meanwhile, observe with joy, so cunningly has nature ordered it, that whatsoever man ought to obey he cannot but obey. Before no faintest revelation of the godlike did he ever stand irreverent; least of all, when the godlike showed itself revealed in his fellow-man. Thus is there a true religious loyalty for ever rooted in his heart; nay, in all ages, even in our own, it manifests itself as a more or less orthodox hero-worship.

Merit is always modest, and it is for the noble and enterprising to seek it in the shade. Endowed with the gift of seeing—that precious gift that no mere training can do more than develop, and without which all the academies that were ever incorporated can achieve nothing towards the production of an artist—the skilled hand comes with time, from feeble beginnings, and after many failures; but the seeing eye is God's own gift, and comes direct from heaven. The man who is always seeing is always learning. No thing that has form, no thing that has colour, but is for him a source of entertainment and delight. For tact good perceptive faculties are requisite, and there can be no good salesman without large love of approbation in his nature. The man with large self-esteem thinks of himself; his opinion of things is all in all to him. Those with love of approbation try to please others, and it is only those endowed with it naturally can ever make good salesmen. Successful men in life are generally those who are always frank, open, and apparently sincere with men, and polished and courtier-like with women. Such natures intuitively please by flattering all without seeming to do it, and thus they oil their road through life, and find their path easy in comparison with others; for we all like flattery—like the frog in the fable, that tried to blow itself out and came to grief. We are all of us frogs. If people would only give us as much room as we think we ought to have, the world would not be big enough for a quarter of us. If people only knew what a splendid interest amiability returned, how eager they would all be to invest in it! You may be original, and start a good business, yet fail simply for want of tact. A good tactician is like a good coachman, and guides the shop safe, with persuasiveness, patience, and good temper; avoiding, above all, "sharp answers to customers, and asking instead of commanding his men." We all require an allopathic dose of moral quinine occasionally. "That experience teaches fools is a lie," says Whately, "for he is a wise man who profits by his own experience, a wiser still who profits by the experience of others; but the fool profits neither by his own nor others' experience."

Competition in trade is useful and desirable, but is extremely injurious when, as in the case of the credit system, it is abused, and that by a powerful class of institutions which are capable of assisting in the spread of unsoundness to a degree probably not experienced before the Limited Liability Act came into force. It is not only Limited companies, but the large distributing houses, that are much to blame for a reckless system of giving credit. "Dating on" is very well and justifiable for "season's parcels," sold long before the goods are wanted; but it has become so great a nuisance, the

offering to date on by some of the larger houses, that buyers make a regular practice of asking for it for ordinary purchases, and if only for small amounts. The traders have themselves to blame for this, as in October, 1882, even plain black silks were offered for sale, as February, 1883, 2½ April 1, or four months' bill. The system is unsound. A short time since, a customer, who had always taken his discount, asked us to draw at six months; we asked for an interview, objected to the time asked for, asked for information as to present position and references. Two were given: "Quite safe for all he will buy; owes us generally two thousand pounds; we draw at six months, with permission to renew at three months." We drew at four months. A short time afterwards there was the inevitable result of such a "tempting system to be reckless." To my objections to the risk that had been run with creditors' property, the reply was, "Unless we gave this credit, the parties would buy of you direct; they only come to us because we are lenient to them." There is no necessity for drawing six months' bills; there is weakness and risk on the face of it; but if still persisted in, it should be understood that bills must be honoured when due. When a man wants his bills renewed, his accounts should be at once investigated.

The Bankruptcy Acts are framed so favourably to the debtor, and manifest such a decided tendency to refuse any redress to the creditor, that those who continue giving credit freely, as formerly, must ultimately suffer. Great tact is now required in refusing to date on, or encourage trade by an extension of credit: on the contrary, in every trade the length of credit given requires to be more strictly defined and curtailed. Had tradesmen generally recognized the altered condition of trade and rearranged their prices, or given discount as compensation to the very largely-increasing number of every class prepared to pay cash, Civil Service or Co-operative Stores would never have been started. These societies necessarily came into existence from abuses engendered by the old credit system, the unjust part of which was making those who paid to time or paid cash pay the same prices as those who took their own time or never paid at all. The published lists of prices of these societies have doubtless reduced tradesmen's profits, but in many respects they have only righted what was wrong. Customers who take credit must still pay what a tradesman likes to charge, but the other class has been overcharged for years, and these societies have done good in substituting cash for credit for clothing and all articles of domestic consumption. The right policy is at once to seize hold of the new idea of cash payments, and issue circulars giving old prices with credit, and new prices to those who will pay cash. Offer all and every advantage of these

societies, "free from their inconveniences." If these societies can make a large sum yearly, any tradesman with practical experience and personal supervision could make more, and he need fear them no more than any other competitor.

The cash system is the only safe policy of trading at the present time: once abolish imprisonment for debt, or rather for contempt of court, and the credit system, except for the very rich, or wholesale transactions, has received its death-blow. Originally there was no credit; commerce was by barter or exchange. It has always surprised me how the present system of credit originated—so unfair to those not deemed worthy of, or preferring to do without, credit; logically and equitably, there is but one fair, honest system of trading. There should be one price to all—lowest net cash price—and interest for loan of goods, as for loan of money, should be charged, varying according to the stability of the borrower, and to be reckoned from date of purchase to day of payment. I unhesitatingly assert that until this be the rule, there can be no strict, fair, logically honest mode of dealing between buyer and seller, as by the other system the shrewd and unscrupulous get advantages in price, time, or discount over their less selfish or more honourable brethren.

A tradesman must have a profit that will cover his expenses, or he will cease to trade; and a man's real success in his calling is the adoption of such a system as supplies the needs of, and gives the greatest advantages to, his customers. It is true, a trader's motive is profit, but there are so many ways of getting it that that man confers the most benefit who not only sells the commodities required, but remedies by his system any unjust anomalies existing in his trade, and arranges for diminishing obstacles which exist to the satisfaction of his customers. I have introduced many reforms in the woollen trade, and was the first to adopt the lower modern scale of prices, and to do justice to the cash buyer by giving him in 1862 5 per cent. discount for his ready money. Until I did this, the credit buyer had three months' credit, and longer, and 2½ per cent. discount: the ready money buyer had *no* discount. It is surprising so dishonest a system could have been in existence so long without being exposed; still more so that when once pointed out, *all tradesmen* did not see the policy as well as equity of the alteration. But even now, in 1883, the majority of the trading class refuse to give discount to their cash buyers, and force them to go elsewhere with their ready money.

Tact is necessary to know how and where to get the profit to pay expenses. If you are in a trade where all are keen, good business men, and everything sold at the minimum of profit, your only chance is to be more civil, more punctual, more obliging than your

competitors. But in every trade there are certain articles that will bear an extra profit, to cover the losses incidental to all trades. The successful men are those who have the tact to know where the extra profit can be got without its being detected. Some articles sell because they are good value, others because they are durable, others because they are novel, or because they are intrinsically good, and will give satisfaction. You must have the *tact* to know where to get the *extra* profit to cover the loss on those marked articles in every trade that are sold below a rate of profit that will cover working expenses. Tact is "worldly wisdom," true—a wisdom we must all learn, a wisdom we do learn if we get that knocking about in the world most young beginners get, beginning the struggle with no special weapon to make their way with. "It is only the constant friction of the tide that makes all the pebbles on the beach smooth, and round, and polished." You soon get your corners knocked off, and have to drop any crotchets that annoy other people, and are taught to be gentle and unassuming. Still, through all, strive to be what Thackeray said was a gentleman: "Be honest, be gentle, be generous, be wise; and possessing these qualities, exercise them in the most graceful outward manner."

Tact is really the highest essence of true politeness: the real tactician is he who does a disagreeable duty in the most pleasant manner, robbing it of its sting. In buying, it prevents one from losing sight of the rights of the seller, and yet obtaining the greatest value; and, as a seller, it induces the "doing unto others as you would be done by," from the highest motives, directed by an intelligent judgment. There is no necessity for servility or excessive bowing and scraping, but patience and sympathy, an unaffected and affable bearing, an evident willingness to please, so that the customer feels at home with you at once. Let your manner be as winning as possible; be finished, considerate, natural—a combination of perfect ease and careful courtesy—with an open, confident smile: few know the value of a smiling, cheerful expression. And what a rare gift manners is! Do not be too bashful; the world, as a rule, will take you at your price: cast your eyes round, and mark the numbers who are buying paste for precious stones, though by no means destitute of the critical faculty, ostentatiously parading their worthless make-believes in the sincere conviction that they are gems. The experienced trader detects those advertisers who misrepresent; still, these do a trade if they will but shout loud and long enough; so few are real judges, and so many want to get twenty-two shillings for twenty shillings, that for a time large promises draw, but the success is not lasting.

It should not be forgotten, in these competitive times, that the great distinction between wholesale and retail trading is the superior knowledge the seller has over the buyer in the latter. In retail transactions it is very difficult, the seller having opportunities of acquiring knowledge of variations in prices the buyer does not possess. His transactions are not numerous enough to pay him to give the necessary time to go about to buy every article at the minimum cost. Between such the game of exchange is really not a fair one, unless we recognize as a principle of commercial morality that the seller shall not ask from his customer a "higher price for any commodity than the lowest he is prepared to take." Retail buying and selling, in fact, depends upon a *moral* rather than an economic basis, and a buyer, unless thoroughly cognizant of the intrinsic and lowest market value of an article he is purchasing, should always be guided in selecting his seller by the character he has acquired of being strictly honest and straightforward in his dealings.

It is wiser only to buy where articles are marked in plain figures, and to avoid shops where abatements are made, or two or three prices charged, and buy—as only at such houses can you buy at the lowest prices—of practical, industrious men, who, by their technical knowledge, skill, energy, and industry, are able to work their business at the smallest cost.

One example will prove how important it is to trade with men of principle only. Walking along the streets, one becomes painfully convinced of the moral weaknesses of some of our manufacturers in the coats and garments, seemingly made of many colours, that meet the eye. It seems incredible that for about "ninepence" a good thing should be so wilfully spoilt; yet this penny-wise and pound-foolish policy is very general. A worsted coating will cost to dye properly eightpence per yard black, and one shilling per yard blue; for these prices they can be dyed to stand the only real tester—the atmosphere. There used to be only two dyes, common and indigo. When complaints were made, a few years ago, of colours going, buyers commenced testing every piece with sulphuric or muriatic acid. The best plan is to mix one spoonful of sulphuric acid with three spoonfuls of water, and immerse a pattern of cloth therein. But these tests soon became of little avail, as the manufacturers discovered a method of baffling the testers. It is done in this way: the groundwork of the cloth is dyed in logwood, then topped with indigo; or the cloth is dyed in extract of indigo. Indigo is very costly. By this means the tester is baffled, and fourpence per yard is saved, and the manufacturer so doing unblushingly sells and invoices the goods as indigo-dyed. Another plan with wool-dyed goods is to have in twenty bales of wool,

say three bales of common dye, the other seventeen of indigo, and mix the lot together. By this method one manufacturer will either undersell another and take away his trade, or pocket the difference saved; and you will perceive the value of character when I state only a practical dyer or chemist could detect the cheat, or say accurately what has been paid for the dyeing of the cloth. This is one of the cases where the really honest man has very little chance of competing with his less scrupulous competitor. The wearers, especially the poorer class, suffer most; as in many cases, I unhesitatingly assert, many so-called "blues," whether sold as fast or indigo, are not worth the expense of making up. These sharp practices can only be stopped by a higher moral tone. Society must call these things by their right name—"frauds;" and if a woman cannot leave the straight path in the slightest degree, I fail to see why men should prosper in many of these things, so difficult to detect by the buyer. Society must decree as moral outcasts, however wealthy the individuals, those who are habitually guilty of such malpractices.

Why is it? Because men still believe in "luck;" only strong men believe in "cause and effect." All successful men have agreed in one thing,—they were causationists. They believed that things went not by luck, but by law; that there was not a weak or a cracked link in the chain that joins the first and last of things. "Favourable Chance, I fancy, is the god of all men who follow their own devices instead of obeying a law they believe in. Let even a polished man of these days get into a position he is ashamed to avow, and his mind will be bent on all the possible issues that may deliver him from the calculable results of that position. Let him live outside his income, or shirk the resolute, honest work that brings wages, and he will presently find himself dreaming of a possible benefactor, a possible simpleton, who may be cajoled into using his interest—a possible state of mind in some possible person not yet forthcoming. Let him neglect the responsibilities of his office, and he will inevitably anchor himself on the chance that the thing left undone may turn out not to be of the supposed importance. Let him betray his friend's confidence, and he will adore that same cunning complexity called chance, which gives him the hope that his friend will never know. Let him forsake a decent craft, that he may pursue the gentilities of a profession to which nature never called him, and his religion will infallibly be the worship of blessed chance, which he will believe in as the mighty creator of success. The evil principle deprecated in that religion is the orderly sequence by which the seed brings forth a crop after its kind" (GEORGE ELIOT).

TRUTHFULNESS.

"Lying rides upon debt's back. It is hard for an empty bag to stand upright. Creditors have better memories than debtors." FRANKLIN.

"Dare to be true, nothing can need a lie;
A fault which needs it most grows two thereby."
J. HERBERT.

"Who never doubted, never half believed,
Where doubt, *there truth is*, 't is her shadow."
BAILEY.

"Purity of body comes by water; purity of mind by *truthfulness*."
Hindu.

TRUTH looks so simple a thing afterwards, so easy and so plain, one marvels how men can be so foolish as to hide it. None ever desert her without finding out she would have been their noblest friend; truth has this revenge on those who slight her always, sooner or later. In business truthfulness is an essential quality. There is no necessity for untruths in commerce; on the contrary, the man who resorts to them thereby exposes his own want of business powers and limited intelligence, as, assuming an article to be properly selected, bought at the right price, and charged the lowest possible price, every seller should have faith in the intrinsic value of what he offers for sale securing a purchaser without his having recourse to misrepresentation or deviation in price. I would say, never buy of a man again after he tells you an untruth. When the policy of a house seems to be attracting trade by plausible falsehood, it is wise to avoid the parties as moral lepers. Having lost faith in a man's veracity, deal with him no more; and when the policy is to deviate in price or goods marked in private figures, the buyer can never feel satisfied he has bought at the lowest. Truthfulness is one of the finest gems in the business character: the getting a name for being truthful is invaluable. It produces a frank, manly, open, look-you-in-the-face bearing, which begets confidence in the buyer, who, once he believes you and has faith in your judgment and integrity, will never withdraw his support from you.

You cannot be too particular in avoiding the slightest appearance of deception. Rather lose a sale than tell a lie. The truth should be told, at any risk; the telling it is never against your interest, if it seem so. The narrow view is the sale in question; the higher, wiser one is keeping a customer's confidence—that plant of slow growth, but than which there is nothing more valuable; as when you do recommend an article, or advise buying, the customer will, if likely to want, buy it, having faith alike in your judgment—and a buyer can soon detect if the seller knows the value of what he is offering for sale—and truthfulness; so have faith and tell the truth, acting towards others as you would be acted by. Evasions or excuses are as bad, or worse than lying. All men err; but to insult a man's understanding by making paltry excuses, as though he had not sense enough to see through the flimsy pretext, is really a greater evil; and if asked, "Will an article wear, keep colour?" &c., reply at once, frankly and openly, "Yea" or "Nay," according to the merit of the article in question. Be truthful, neither magnifying nor extenuating, and you have nothing to fear. The end must be successful, if you be honest and truthful.

It is an achievement to tell the truth always, and there is not much merit in being truthful otherwise than when it costs us something, or seems to do so. It ought not to require any effort, but should be a sacrifice every man ought to find it easy to make. Yet it is none too easy in practice. How many respectable people deceive their customers rather than lose the chance of selling their goods! They may not tell lies, or say this or that, but they hold their tongues when it serves their purpose and is needful, as they think, to make money. "We must live" is their excuse, and they lie or are reticent to live; or, rather, they are led astray by the bugbear of thinking it necessary not to be left behind in the race which all the world seems running. So many think, if they are to hold their position and not be jostled aside, they must move with the times, which means speculation and increased risks, especially the risk of being untruthful; and for what? to keep up a greater establishment than had hitherto been deemed necessary. Well, my friend, let them get learned in the crooked path, and learn the ways and wiles of the world, and what is considered to be a knowledge of life's wisdom. I would rather you were without this experience, even if at times you lose thereby, than see you millionaires, and always in a state of anxiety, and suspecting everything and everybody. Keep truthful yourself, and believe others to be so until you find them guilty.

"Let us speak of a man as we find him,
And heed not what others may say;
If he's frail, then a kind word will bind him,
When a cold one would turn him away."

Believe me, there is no necessity for, or gain in, being untruthful; and it is a matter for serious reflection how men can lead a life of deception, although professedly Christians, and with a belief in future punishments. Untruthfulness saps at the very essence of character—individuality. Every true musician and worker lends his individuality to what he does, and thereby raises or degrades his work, and varies every composition by his execution thereof. Individuality is the choicest flavour of life, without which human endeavour, no matter on what scale it works, is but the dismal tramping of a treadmill.

There are exceptions, perhaps pious falsehoods, in which the "motive" must be taken account of before we condemn the individual for an exceptional untruth; as when Tom Pinch gave the half-sovereign in a book to Martin Chuzzlewit, with the words scrawled in pencil, "I don't want it; indeed, I should not know what to do with it if I had it!"—only a half-sovereign, but Tom's *all*. Dickens truly says of this: "There are some falsehoods, Tom, on which men mount, as on bright wing, towards heaven; whilst there are some truths—cold, bitter, taunting truths—wherein your worldly scholars are very apt and punctual, which bind men down to earth with leaden chains. Who would not rather have to fan him, in his dying hour, the lightest feather of a falsehood such as thine than all the quills that have been plucked from the sharp porcupine—reproachful truth—since time began?"

To me there is nothing more degrading, more humiliating, than "telling a lie;" yet I can understand by my own experience that a "lie may be told" when it seems the lesser of two evils. Just after I had started—my own future and my father's little all at stake—some kind friend circulated the report that I was not of age. My "reference" to other creditors, the late J. J. Murray, wrote me to call and see him, and asked me *my age*. I guessed his motive; being only nineteen, I was not legally liable for the debts I had contracted. To have said in reply, the truth, "*Nineteen*," would have ruined my future; worse, it would have entailed a loss upon my parents, who had staked their all upon my success. I told a lie, and said "*Twenty-one*." The motive must be my excuse. I take this opportunity to admit the error, and to say it bore its punishment, as I have often regretted not telling the truth, and appealing to Mr. Murray to trust me. Still I doubt if he would have done so; he was of that

type of business man that had "little faith," and was not likely to trust to a debtor's honour.

"It is almost too trite to remark," says Carlyle, "that there was never yet an age of the world in which one part of mankind did not prey upon the rest, the upright and industrious self-denying of all ages having had to support the idle and dishonest; the only difference is that, in the nineteenth century, cunning takes the place of strength, and fraud is substituted for violence, which is a clear gain to the victims, who are now suffered to keep more for themselves, and are less unpleasantly despoiled of the smaller portion which they lose. Gullible, however, by fit apparatus all publics are, and gulled with the most surprising profit. Towards anything like statistics of imposture, indeed, little as yet has been done. With a strange indifference, our economists, nigh buried under tables of the main branches of industry, have altogether overlooked the grand overtopping Hypocrisy branch; as if our whole art of puffery, of quackery, priestcraft, kingcraft, and the innumerable other crafts and systems of that genus, had not ranked in productive industry at all." What money is spent in advertising! How difficult to tell how man's wants are supplied by true wear—how far by the mere appearance of true wear! It is disgusting to read the barefaced lies of some advertisements, which can only be issued by the author's faith in the gullibility of readers. Nothing but greater knowledge, or rather, I would say, keener observation, will stop this. There is nothing more painful than devoting one's life to acting justly in one's calling, and observing that in the majority of cases it is like throwing pearls before swine, the same not being properly appreciated, through the buyers being unable to perceive the advantages given.

Value, and what constitutes real value, as regards material, dye, make, strength, &c., being so little understood, it is a daily occurrence to hear even keen business men, when an article is submitted, asking for a thinner and yet a higher-priced material in an article wherein weight constitutes the principal value; still more their dislike to pay the higher price "a sound colour" costs, and, from their ignorance that a cloth may cost 5d. to 1s. 5d. a yard to dye, think you sell dear simply because they have no real *test* of the value they are buying; yet any sensible man must admit that *tender* or *badly-dyed* goods are *worthless* at any price. It is this ignorance of real value in buyers, and want of knowledge of their business by employers, which renders possible the palming off of showy, deceptive work for that which is genuine and well done. But if such traders meet with fools enough to let them live, it is a miserable, wretched life of deceit; and there

can be no more erroneous notion than that success is ever founded on humbug, as no secure reputation in anything can ever be raised from what is false.

To succeed in any enterprise needs great strength of character, and the regulation of every man's plan must depend greatly on the course of events, which come in an order not to be foreseen or prevented. But in accommodating the plans of conduct to the train of events, the difference between two men may be no less than that in the one instance the man is subservient to the events, and in the other the events are made subservient to the man. Some men seem to have been taken along by a succession of events, and, as it were, handed forward in helpless passiveness from one to another, having *no determined principles in their own characters* by which they could constrain those events to serve a design formed antecedently to them or apparently in defiance of them. The events seized them as a neutral material, not they the events. Others, advancing through life with an internal invincible determination, have seemed to make the train of circumstances, whatever they were, conduce as much to their chief designs as if they had, by some directing interposition, been brought about on purpose. It is wonderful how even the casualties of life seem to bow to a spirit that will not bow to them, and yield to subserve a design which they may, in their first apparent tendency, threaten to frustrate. Always try for sufficient firmness and decision of character to do what is right, and to be above the contempt or fear of the ridicule of those about you. If, as a boy, you have always said your prayers at night before going to bed, have moral courage enough to do the same when you enter on the duties of life; and if placed in a room with a lot of others, rise superior to their remarks, and if persevered in, you will gain their respect for having a character superior to theirs. In life you must be prepared for such trials and struggles. From ideal justice there are so many degrees of human rectitude when self and custom interfere. The struggle is keen through life between the strength of the principle of honesty implanted in us and the desire to make money and succeed in the fight. Human pathology is a strange study, in which a hair's breadth or a minute alteration in the millionth part of a grain might disturb the wonderful mechanism of the brain. Many we blame are in a state of mania, and can be scarcely deemed responsible for their actions. Nothing upsets the moral balance of a man's nature so much as acquisitiveness. After a time such natures seem morally blind—as some are colour-blind: they are to be pitied, losing as they do that moral happiness only to be found in the calm of a contented, peaceful soul. Do not forget "it is one of the first steps towards wisdom to judge of others' actions,

especially as they affect ourselves as a third person." This will save you much of that unjustifiable spleen and chafing of spirit which is caused by thinking your interest is treated by them as secondary to their own. Schiller says: "A man, to succeed, should be an enthusiast, tempered with worldly light;" any idea well persevered in, with method and caution, must succeed.

Truthfulness means keeping to the "spirit" of integrity, and not merely the letter of it. The truly religious man will be honest, truthful, and charitable in all his dealings. That man is not religious, not truthful, who takes every selfish advantage he can of his fellow-men. It is said, "There is no friendship in business;" true, but a true friend will give his so-called friend the first opportunity of supplying him with what he wants. We find that in life relatives and friends avoid each other, having no faith in their own judgment; they are afraid their relatives or friends will impose upon them. But a man of principle and judgment will act from duty—will not only observe verbal or written promises, but keep to the spirit of truth and honour. "It is told of Mr. Brassey that, near the outset of his career, a portion of a large railway bridge was torn down in a great storm and flood, and he was advised that he must either appeal to the company for help, or rebuild it in a certain inferior style, in order that he might not be altogether ruined by his loss under that contract. He would not listen to any such proposals, but, at his own charge, at once set to work and rebuilt the bridge precisely as if there had been no accident, finishing it within the contract time. And though the destruction of the work had been caused by no blame or neglect of his, he made no appeal to the company, who, however, were so struck by the manner in which he had borne himself in the crisis, that they unanimously voted him a considerable sum over and above the contract price; so that, after all, he was not so great a loser; and the certificate he thus wrote out for himself gained him such a character for integrity and good worth as no money could have purchased for him" ("The Way to Fortune"). Believe me, that resolute adherence to honest methods are the profitable ones in the long run. For your own sake, for your friends' sake, try and win always. Always remember, whatever engaged in, their great interest in you; remember their eyes are on you, and that every prize you win—harder to hold as greater to strive for—you show your gratitude and worthiness of the affection and care bestowed on you.

Be truthful; in spite of competition, rise above any immoral "custom of the trade;" maintain a firm front and an honest purpose; fight the battle of life with a determined perseverance to rise superior to the

lying, dishonest, and demoralizing systems that may be in practice. We must train the young to see that the self-interest of the individual, as well as of society, depends upon truthfulness, thoroughness, and good principle. "Religiously keep all promises and covenants, though made to your disadvantage," urges Jeremy Taylor; but, to do this, you must be careful what promises you make, or what covenants you contract, and, above all, have the moral courage to say "No," especially if asked to be security or to endorse a bill. Never want a bill renewed; it is opening an account with Ruin. Never treat money affairs with levity. Money is character! If you do err, and are told of it in this plain manner, the man who tells you regard as a true friend; and if, as Lord Lytton says, your father has failed for want of, as you are saved by, such advice, in every error avoided say, "Thus the father warns the son." In every honourable action or hard self-sacrifice say, "Thus the son pays a father's debt." Above all, be truthful in the most important matter of your life—marriage: marry young; do not marry for money. Let no ambition of power, no greed of gold, ever mislead you into giving to your life a companion who is not the half of your soul. Choose with the heart of a man. In these days such language may be deemed sentimental and romantic, but we find in life much of it still, and those who pretend to despise and ridicule sentiment, formality, and conventionalism, are in reality more often the slaves of the influence they condemn than those who conform; as the thorough republican is the worshipper of aristocracy, as the equalizer of human rights is the most bigoted in the conservatism of his own, and the most tyrannical in his administration. Lord Brougham said: "Many men will not scruple to exaggerate or extenuate facts—nay, to suppress the truth they know, and even forge what they are well aware is false coin, so that they can make concealment available for the defence of their party, or give the fiction currency to that party's gain." Still, people like a man who can be trusted, whose honesty has never been questioned, and whose common sense can be relied on in any difficulty. As Lord Russell says of the Earl of Derby: "A man noble by character as well as by rank; always ready to sacrifice office for the sake of maintaining his opinions, and forming those opinions, if with the fallibility of human judgment, yet with an integrity which must in all future times command respect." Such men may defy the world in all places, at all times; so keep you and all dear to you in honesty and truth.

What is satire? "An overdose of bitters in the glass of sherry." Thus, as good sherry is spoilt by bitters, truth is injured by satire. Truth requires no flavouring. It is awkwardly bitter sometimes when

administered neat! Duty makes life sweet. Before inclinations, selfish passions, heart-yearning often, stands duty, especially our allegiance to truth. The pleasant smile of approval in our inward consciousness is a lasting recompense for present suffering, hard though it is to bear. In resolving to lead a life of truth and honour, you will often be reminded of the power of money, and be told you are a fool for despising it; what they mean is despising or thinking it wrong to get it, except in their way. You will be told money is the only thing worth living for. You certainly have no need to desire friends while your pockets are lined with gold; that guarantees you a welcome everywhere. Friends will fly to you like iron to a magnet, and will stick to you as close while the attraction lasts. They will not tell you Crœsus was not content, therefore Crœsus was not a rich man. A man with £50 a-year, and content therewith, is richer than Crœsus with all his millions. Still, money is useful. Our power of doing good is much limited without it; so by all means get money, but get it truthfully and honourably. The man who advertises in such a way as to lead people to infer that to be true which he knows to be untrue, is a cheat; also the man who sells as sound an article he knows to be not so; or sells land as having a perfect title with a drawback he knows of, yet does not mention; and those who sell out stock to-day because they know of something that will reduce its value to the purchaser to-morrow, depart from truth and uprightness. This is an easy problem to solve, when in any doubt, "Put yourself in his place," and ask yourself how you would like to be served in the same transaction. There can be no doubt reticence in such matters is as bad as wilful lying. In trade, how many try to succeed by inuendoes against an opponent; or, still worse, entice away another's custom by offering an article under the regular price, having observed the same article in the customer's shop! "There is only one legitimate way or justification for charging less or giving better value than another:" natural aptitude for, and a keen observation of, your business, so as to buy the *best* goods to be had in the market for the prices you pay; also being competent to perform the most expensive parts of your business personally, and able to superintend generally, and so secure the most inexpensive management; also in being economical in your own personal expenditure, so as not to require too much yourself, and being too honest to take from a customer more than he should pay for your labour, skill, and capital.

INTEGRITY.

"A wit's a feather, and a chief a rod;
An honest man's the noblest work of God."

POPE.

"There is no terror, Cassius, in your threats;
For I am *armed so strong in honesty*,
That they pass by me as the idle wind,
Which I respect not."

SHAKSPERE.

"'*HONESTY is the best policy*,' but he who acts on that principle is not an honest man" (ARCHBISHOP WHATELY). To this opinion I respectfully beg to differ, and go with those who, considering man as mouldable, strive by every means to make him *honest*, by putting before him a something to be attained if he will but use his power of resistance and struggle to rise superior to temptation. At school, from platform and pulpit, it should be proved to men how much they lose, pecuniarily as well as morally, by acting dishonestly. We should have better men and women, lives more honestly and better lived, if a practical teaching and preaching of this kind took the place of that blasphemous doctrine that men, women, and children are punished eternally if they cannot believe this or that doctrine.

Integrity is twin sister to truthfulness. "If a man abstains from falsehood, though he practise no other virtue, it shall be well with him. Truth will lead to every virtue." As a rule, if honest, you will be truthful, and *vice versâ*. Without integrity ability is valueless. How painful it is to see the shattered wrecks of many seemingly noble vessels at starting—good appearance, every business qualification but the ruling power—conscientiousness—that should direct and decide every action between man and man: the ballast to our nature absent. Such men are clever in many things, and their specious ways gain for a time a transparent prosperity; but they lack the quality of all others necessary to make a large or solid business; they are not equal to making a sacrifice for principle. If they succeed, they pay; if not, they make a profit by their failure, by robbing their creditors. They are morally, if not legally, dishonest.

"Honesty is the best policy." What hard work it must be to be a rogue, like Pullinger, Redpath, bank forgers, &c.! What skill and

industry such men display! But what a life it must be, with their planning, scheming, and ever-present fear of exposure!

Avoid plausible men: they trust too much to their power of speech; often like whitened sepulchres, beautiful without, but full of rottenness and corruption within: fit simile for much of the trading habits of our time. You buy an article, assuming it to be strong, but dare not pass it, in our days, without testing it; or as being indigo-dyed, yet, unless you have it down in black and white on the invoice, the seller will wriggle out of it by saying he sold you a black, &c.; or the article is to be so many ounces to the pound, which you have great trouble in getting. Business is the art of living by buying and selling, so men must get money by it. It is a pity so many fail to see that "honesty is the best policy." Calling things what they are not is a growing custom, wrong in every way, delusive and dishonest.

What advantage can there be in calling a 34-inch article as 36, a 38-inch article as 40, a 7/4 article as 8/4, &c.; or labelling as a gross of yards an article measuring 120 yards? The only answer is, that it has become a practice to quote wrong widths, and consider the smaller quantity as the larger, since unscrupulous dealers in times gone by reduced the width and yardage without the customer's consent, in order to name a lower price; competition did it, and prospered for a time until found out.

Manchester men of business have always seemed to me too selfish. From beginning to end, in your dealings with them, self is glaringly apparent. If you get the number of yards you pay for, which is in many instances doubtful, you never get an inch over; they rarely point out or allow for damages; goods never measure the width they are sold as being. This really is fraud, as, under the provisions of the 25th and 26th Vict., cap. 88 (which should be more generally known and acted upon), you must not offer for sale an article bearing a false description as to quantity or measure. The excuse is, these things are done for the foreign trade, which really aggravates the offence; as Mr. Mason said, "The man who would try to cheat another in a distant quarter of the globe, or another nation, would not be upright or honourable towards his next-door neighbour." And the thanks of every honourable man of business are due to Mr. Hugh Mason, President of the Manchester Chamber of Commerce, for his moral courage in denouncing, in plain, unmistakable language, the Manchester system of trading. "Fraud," he said, "is systematic, false measure and fictitious description the rule, misrepresentation and adulteration by sizing," &c.; this is the natural sequence to a too selfish system.

I advocate "doing to others as you would be done unto;" and would rather leave as a legacy to my children such a character than

die the wealthiest man in Europe. Get money, get all you can, but get it honourably; it is a longer process, but the more elevated the business character, the more easy it is ultimately to get money. The true merchant spirit is manifest in the desire of selling all articles required by, or that will be bought by, one's connection; and once having acquired the name for being honourable, straightforward, and fair in your dealings, any article introduced will be bought by your customers.

Some justify wrong descriptions, short measure, mildew from sizing, &c., because of the deductions, claims, and deferring of payment by many of our merchants. I agree with them that the merchant or tradesman has no more right to rob the manufacturer by unfair deductions, too much discount, or a month's interest on his money by non-payment, than the manufacturer would have to charge him higher price than was agreed upon between them, the loss in interest to the one being as important as the loss of half a yard or a wrong count in yarn is to the other.

Others defend the selling for 40's what they pay the operatives for as 38's and spin as 39's, on the plea of custom of the district; as if custom could turn rascality into uprightness. Others excuse these dishonest practices by saying there is deception in all trades, owing to the unreasonable demands of customers, or their craving to obtain some unfair advantages for themselves, and unwillingness to pay a proper price for an article. The desire on the part of a purchaser to get some special benefit over his competitor, if he buys the same quantity, at whose expense he does not care, is wrong, but does not justify a seller in ministering to it. One man's twenty shillings is worth no more than another's, and trying to get twenty-one shillings' worth of goods for twenty shillings should be viewed as nearly the same as taking twenty-one shillings in change of a sovereign; the tendency is essentially selfish, if not dishonest, and has, to a certain extent, produced the lax moral feeling so generally prevalent. But it must be stopped; the time has come, and all wise and honestly-disposed business men will at once resolve to elevate their own particular trades above suspicion. It is absurd to talk of the baseness of trade, or the corrupting nature of business; it is the willingness of certain men to be corrupted that makes them corrupt, and it is their dishonourable actions that cast a stigma upon business. But there is scarcely a more trying ordeal than commerce to test a man's real character, and when we remember the general laxity, it is surprising so many rise above its temptations.

Those manufacturers who have deteriorated and adulterated their articles, tradesmen who have made excessive charges, and advertisers

who misrepresent, have produced this feeling of distrust, and the time has come for the only remedy that will stop it. Let all of us be ruled by strict integrity in our dealings with each other; let us be upright and fair, and treat excessive profit or taking advantage of a buyer's want of knowledge as a fraud. All articles should be sold at the lowest remunerative profit for cash. Have but one price, and charge interest for probable loss and time taken in credit: never *deviate*, and your customers will not only keep to you, but recommend others.

Integrity is the foster-parent of credit. Who would trust his property to another, looking to the law alone for repayment? Without this quality it would be simply impossible to do the trade of the world: business would degenerate into petty traffic, and society retrograde into barbarism. Integrity is to business what courage is to the soldier, zeal to the advocate, or impartiality to the judge; it stops a man from taking advantage of another's unskilfulness or inexperience, and induces him to make any sacrifice rather than not pay his debts promptly. The law should regard all debts as a trust, and make every man account for the property that has been confided to him: he may have spent it or lost it, but the onus should rest on him to show why, having had twenty shillings given to him, he has only fifteen shillings to pay it back with. It is the law's laxity and the facility of making composition that conquers the weaker moral minds in trade. If a man buys goods one month, and offers two shillings in the £ the next, the law releases the debtor. I fail to see why such men ought not to be given into custody. In many cases the man who compounds with his creditors, or the so-called gentleman who does not pay his tradesmen, is far more deserving of prison than the miserable wretch who, brought up amidst and surrounded by the lowest moral natures, steals a purse for a living.

Bulwer Lytton, in *Richelieu*, calls De Mauprat "a trickster and a thief," and justifies his charge as follows:—

> "You have outrun your fortune;
> I blame you not that you would be a beggar—
> Each to his taste! But I do charge you, sir,
> That, being beggar'd, you would coin false moneys
> Out of that crucible called *debt*. To live
> On means not yours, be brave in silks and laces,
> Gallant in steeds, splendid in banquets—all
> Not *yours*, given, uninherited, unpaid for—
> *This* is to be a trickster; and to filch
> Men's art and labour, which to them is wealth,
> Life, daily bread, quitting all scores with 'Friend,
> You're troublesome!' why this—forgive me—
> Is what—when done with a less dainty grace—
> Plain folks call '*Theft!*'"

Oh, beware of debt, and never call that economy meanness which is but the safeguard from mean degradation.

A great evil in these days is giving cheques when there are no funds, or not sufficient funds, to pay the same. These evils spread because men are getting familiar with the lax views alike of the law and society as regards the conduct of such rogues. We want a moral code of conduct in business matters, deeper, higher, purer than the present conventional one, which takes its code of laws from the opinion of the world, for want of higher teaching, stimulating the consciences and rousing the innate but slumbering rectitude of mankind, exposing and denouncing unjust deception and measure, untrue statements or lying advertisements, instilling unscrupulous justness in all dealings, never making an unfair claim or deduction, and valuing reputation more than silver or gold.

In "Parker *v.* McKenna," the Vice-Chancellor decided that the justification of their conduct by the defendants cannot be supported as making allowance for the wilful blunders which affect men who look so earnestly and exclusively to their own pecuniary interests as to exclude or blunt their perceptions of right and wrong. I find it difficult to impute to men of business such a want of understanding of the duties they had undertaken to discharge to their partners in trade as would account for, though nothing can excuse, the manner in which they have dealt with the common property. They were vendors for the partnership, and could not become purchasers themselves. Again, in "Stuart *v.* Lupton," he summed up, "I repeat what was said three thousand years ago, 'Thou shalt not steal.'" A tradesman's life, however apparently full of promise, without the ballast of moral character yields no satisfactory performance. Their rule for bargainings seems to be, "Do other men, or they will do you." However beset by misfortune you may be, avoid the worst figure of misfortune, "misconduct." In these days, richer than ever before in truths and trades grown obsolete, the fool thinks it is all a den of lies, wherein whoso will not speak or act lies must stand idle and despair. We all go through this ordeal; it is but the altercation with the devil before we begin honestly to fight him. All inquiries from a genuine love of truth are good; truth still should be sought after, though the heavens crush us for following her. No falsehood, though a kingdom were the price of apostasy; but, practically, every man of experience will tell you that nothing is as valuable or so irresistible as truth, as, to win a name, it is essential even with distinguished merit, and requires also untarnished dealings with your fellows. To win wealth requires hard work, perseverance, and cunning. You are poor, begin with work; you have no friends, endeavour to deal fairly; by work

and rectitude you can win what you will. The first step is to be independent, as, let a man be poor—that is, practically, spending or requiring more than he has—however honourably inclined he may be, he has made himself the slave of circumstances. You are tolerably safe in trusting industrious, prudent men; and no man ever failed in getting credit who was worthy of being entrusted with it. Unfortunately, too many get it who are not worthy; and, by our laws, if a man drives a horse furiously along the streets, and knocks down an old woman, or if a builder puts up a scaffolding so carelessly that it falls and a bystander is killed, they may be indicted for manslaughter; but a man may, and does, deal wildly with the money of others, waste it recklessly, and make beggars of opulent people, and he is, nevertheless, held guiltless. There is no penalty for recklessness with property, however great and flagrant. This is an error, arising from the spirit of concession, which is a great mistake. The same with abatements in commerce; they serve you best who serve you justly and fairly. The habit of making concessions, and thereby engendering a belief that you will make them, is fatal to a tradesman's interest, tranquillity, and honour; like a judge on the bench, he should be firm and administer alike to all. Commerce, like justice, should recognize no exceptions. Imbue our merchants with these ideas, we need fear no competition; it is our gross frauds and adulterations, cheap goods made to sell, and all the impudent impostures of modern times, that are our greatest foes. We want more integrity in our daily life; a resolute endeavour, under no temptation, to fall below the level which the *spirit* of our engagements demands of us, but rather to rise above them. When we think of the fatal losses which have in recent years been caused to English industry through bad, scamped, and inefficient work, and the opening which has thus been made for the competition of other nations, we see, in a very broad and significant manner, how the kind of manufacture, which keeps the word of promise to the eye and breaks it to the hope, is a bad and unprofitable investment after all.

We have lost caste abroad, and if we are wise, we shall find out the cause and remedy the evil. If it be because goods have been deteriorated, they must be made better; if too dear, they must be produced cheaper. Trade, generally and collectively, is bound to increase, owing to increase of population generally: so if we lose it, others must get it; if we fail in energy to struggle and overcome the difficulties that surround us, we must be content to take a lower position in the world's eyes, and do less, and make the best of poverty instead of prosperity. Figures are unanswerable. We have been exporting less, and importing more, yet the commercial area gets wider

yearly, and more goods are required. We are being driven out by competition, which ought not to be possible, by the development of manufacturing industry elsewhere, which would not have been undertaken if we could have continued to supply the finished article as before at satisfactory prices—viz., cheaper than the nation could make the same themselves. "Even America and Belgium are sending us now manufactured cotton goods" and steam engines. Our only increase has been in supplying machinery and mill-work to our rivals, thereby arming and strengthening them.

We have been committing national suicide for a long time, with our theories of individual right, concessions to labour, &c.; and we shall wake up when our capital gets absorbed in foreign industrial undertakings. Labour has claimed, and is claiming, more than a fair share of the receipts secured by the united action of capital, skill, and labour; and it grasps a shadow for itself while it impedes the operation of the other elements. That labour has been badly paid in the past there is no doubt, but the advisers of labour have erred in forbidding labourers to work longer than a certain number of hours, instead of inciting them to make efforts at those periods, in every trade, in every year to realize an extra sum, and to practise self-denial and gradually raise themselves from their present social condition. The labourer, like the employer, should be at liberty to do with his labour what he likes, to work *as long as he likes;* and piece-work, whenever practicable, is the fairest system for both employer and employed.

The new policy of "enlightened selfishness" will teach employers that it is to their interest to study the employed, and see they are as a body contented; and every man with any authority with the working classes should do all in his power to impress on them the belief that by their own self-reliance, providence, and temperance only can their position be alleviated or improved. The employed must be taught to take broader views of things. Capital is the parent, labour the child. It is useless kicking against this fact, or arguing the contrary. Without capital, labour is as helpless to do anything as fire is to give forth heat without coal. Again, they must understand better the law of wages, the true rate of wages being not what the individual receives, but what the working community receives in its totality. The sum earned by all is the maximum the wages fund of a country can yield. One class standing out for higher remuneration, if successful, simply lessens the earnings of others by diminishing the work or capital in one part free to be given or used in paying for the work of all. Again, they must see that all buyers go to the cheapest market, and our only chance of competing with the world lies in the

amount and excellence of the productions which we can offer at a fair price. If by giving labour more than its fair proportion, we raise the price of the commodity, or, as is too often done, resort, owing to dearness of labour, to lowering the quality, we shut ourselves out from the markets of the world. Let us look this labour question in the face, and grapple with it boldly. Wisdom from the past teaches us that the surest way to prevent immoderate desires being formed, aye, and unjust demands enforced, is to grant in due season the moderate requests of justice.

How just nature is! Compare the results of living in the balmy south, or bracing north, in many places so bleak that the wind beats like a battery of ceaseless though silent artillery on the weather-beaten faces of the inhabitants; but, see the effect it has on their character, bracing them, as it does their frames, to strength and endurance. What a contrast with the narrow-minded views of commerce held by too many business men, who think it is a system of bargaining feats, and whose sole delight therein is in "besting" their neighbour, as they call it! The majority of tradesmen still think the art of salesmanship consists in persuading the buyer to buy what he does not want or more than he wants. "Any fool can sell what is wanted," these oracles say. Perhaps so; but after all, in addition to being the more honest, my opinion is that in the end it is wiser "only to sell a man what he wants." "All buyers should firmly refuse to drink before or after a purchase with the seller." His own self-respect, putting aside prudential reasons, is opposed to this still too general practice, even in many of our largest houses. Still, write, preach, legislate as we will, the sheep will ever be shorn and the pigeons unceasingly plucked. It is painful to know such methods of throwing dust into buyers' eyes are not yet obsolete. "Expediency and not principle" is the motto of nearly all. If I had to climb even up to heaven by the mean and crooked ways I have unfortunately witnessed others adopt, I would rather stay grovelling in honest dust to the end.

Let us, above all, be too just to harbour thought of revenge for wrongs we think have been done us: they may be sweet at first, but in the end the sweets will be found mingled with bitters. "It is better to forgive than to be forgiven; to be cheated than to cheat; to be betrayed by a friend than betray one." Damon would be difficult to find in this nineteenth century. No matter what your position may be, act in such a way as to elevate and dignify the trade you belong to by your fixedness of purpose to be thought upright; and, with aims superior to the mere selfish realization of wealth, your individuality of character will gain you a self-respect, wherein all the petty conditions

of your employment will be merged, sunk, and annihilated. Such qualities all may cultivate, and to the man of integrity, if reverses come, there is no grander sight than to see him struggling against adversity. It is at such times the honest man has his reward, when some other satisfaction is needed to fall back upon than the wealth that has gone. The lives of men like Thomas Adams, the merchant, are of this kind, and their private lives are a kind of realized idyl—so orderly, so composed, yet so cheerful, bright, and unrestrained, making one think of Keble's fine lines—

> "There are in this loud stunning tide
> Of human care and crime
> With whom the melodies abide
> Of th' everlasting chime;
> Who carry music in their heart
> Through dusky lane and wrangling mart,
> Plying their task with busier feet,
> Because their secret souls a holy strain repeat."

To be just requires brains; it is a virtue the heart does not deal in. Still, there is nothing more mean and unjust than to judge others by events that none could foresee. Let your conscience be clear, and always do your best, you need not mind what any one says of you or your actions. Always feel justified in saying as Lord Coleridge did in defending himself from Dr. Kenealy's attack, in the House of Lords: "I am perfectly aware—no man knows it better—that, so far as claims of ancient descent or lofty rank, I have no claim to stand among your lordships as an English nobleman; but I do claim, in point of honour and integrity, to be the perfect equal of the proudest peer in your lordships' House."

All falseness, meanness, hollowness in human life, arises from compromising with truth; all integrity, nobleness, singleness of purpose, must have their root and vitality in the opposite spirit—the spirit that accepts no shift, no make-believe, half-and-half truth. What can the Church, if indeed the Church be the truth or an embodiment of truth, lose by the recantation of any of her servants? Might we not as well affirm that the perversity of man tears asunder the desires of God, and that His greatness is diminished by our littleness, His sovereignty by our insubordination, His everlasting sway by the petty assaults of human reason? It is not, however, pure-souled and high-minded people who best understand the limits of justice and mercy. They know what goodness is, and live aloof from temptation and sin; but may not this very whiteness and stainlessness render them almost stern to those who are more fallible than themselves? People may be compared to sheep and goats: the goats

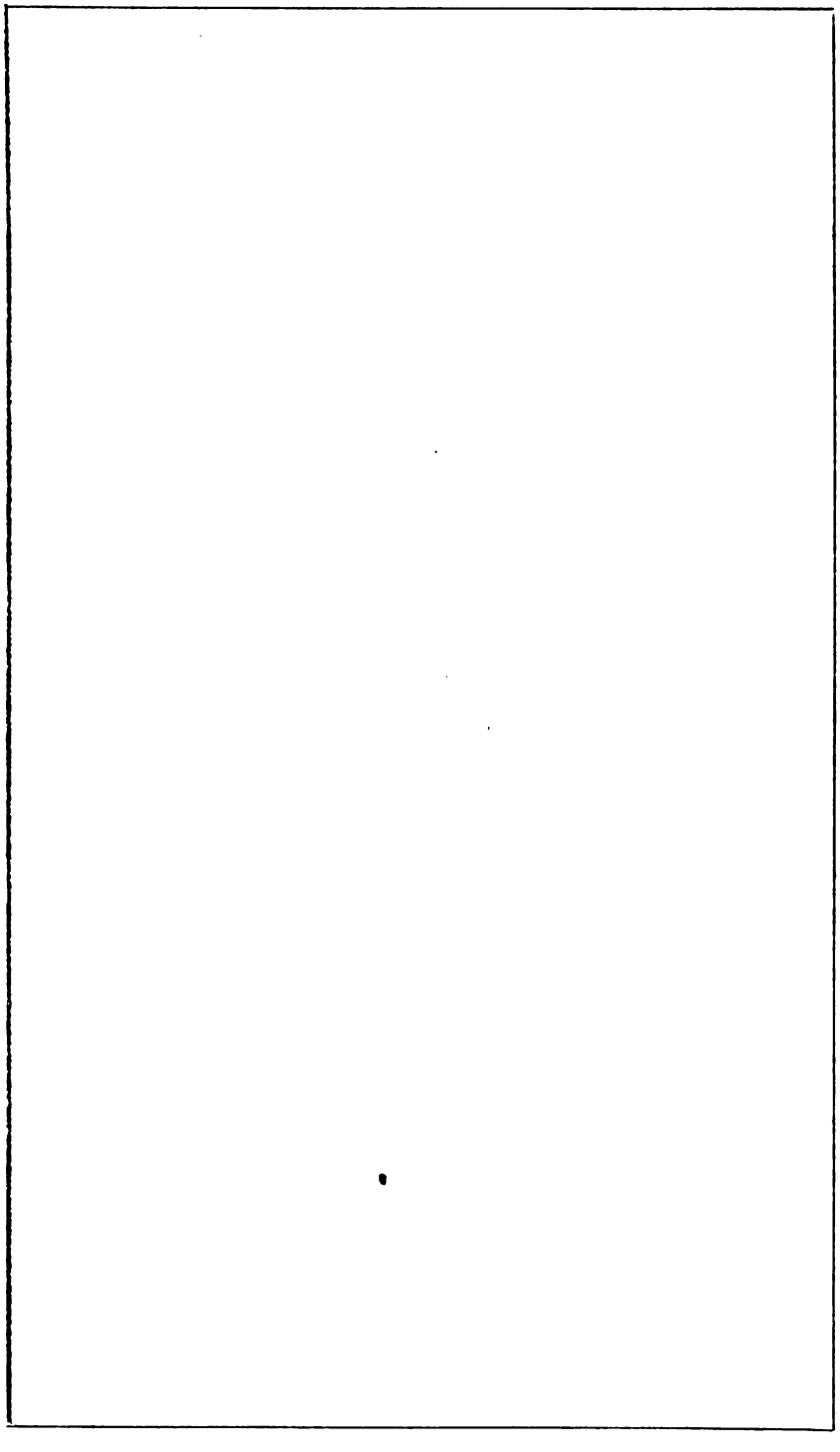
are wilder and stronger, and able to leap the barriers that hold in check the timid, feeble sheep. People forget, in censuring and criticising conduct, that to the strong the temptation to quit the field or straight path is much greater than it could ever be to quiet, stolid, domestic animals.

There is a depth of truth in the French proverb, "Those who excuse a fault accuse themselves of the fault;" and it may be taken for granted as a general rule that those larger souls who excuse their weaker brethren are those who have felt the temptation strong within them to do similar deeds to those they excuse. The more one knows of human nature the more one is disposed to feel pitiful towards those who go astray. In the midst of life, surrounded by life, yet ever on the threshold of that great, that awful uncertainty, should make us more tolerant of others' failings and watchful of our own. Mr. Gladstone says: "I care not to ask if there be dregs or tatters of human life, such as can escape from the description and boundary of morals. I submit that *duty* is a power which rises with us in the morning, and goes to rest with us at night. It is co-extensive with the actions of our intelligence; it is the shadow which cleaves to us, go where we will, and which only leaves us when we leave the light of life."

Let us be more pitiful and gentle towards each other. Life is at best but a fragment. The ablest and strongest of us cannot always use our opportunities as we would. The feeblest may sometimes strive after the same ideals with almost superhuman efforts, and win. Is it not something when the fragment, whether conceived by the strong or the weak, executed by the cunning or unskilled hand, still bears the unmistakable teachings of a Divine Master? Let us never cease to wage unyielding, scornful war against deceit and imposture, and be remembered as one of those who fought in the face of great difficulties, and with barely a prospect, save that of personal loss. We prepared the way for others to sow seed and reap fruit from the ground we have furrowed and prepared for them. We may finish nothing, but others will begin where we leave off, and those who come after will not reproach us for the clumsiness of our workmanship or the poverty of our material, if we bequeath them a noble design, or, at least, one worthy of imitation.

"Only the actions of the just
Smell sweet and blossom in the dust."

MONEY.



MONEY.

"Und es herrscht der Erde Gott, das Geld."
"And it rules as God of the world, 'Money.'"

SCHILLER.

MONEY! an attractive title—a subject every man is interested in. Money-making is a special talent—I might say it is a genius—just as the habit of money-spending is a misfortune. There are some men who struggle hard, deny themselves every indulgence, yet never get their head above water; do what they will, strive as they may, they never get beyond the necessities of the moment. There are others who dash along, seemingly, in the most reckless manner, yet they succeed; they are shrewd, and mean to win, to get on, and they succeed. My object is to bring clearly before your mind how largely the success of English trade depends upon the currency laws, in relation to our system of banking, that being the recognized medium for supplying borrowed capital, the life-blood upon which our large trade depends; and I hope to awaken within you a desire to understand this subject better than heretofore. That it is no easy task to rouse men of business to *think*, and that they cling most tenaciously to old customs, I am well aware; but the present times will compel them to hesitate, and ponder as to how trade is to be got and business is to be done; whereas hitherto they have let daily affairs float before them, content to seize hold of what they could as it passed them by, so long as they felt satisfied that the system in operation would last their time. It is this supineness, this ignorance of the delicacy and refinement of our banking and monetary system, that the future of commerce has so much to dread.

The power of money is immense, the benefit of our banking system to traders only known to those who use it; but it must be remembered that in exact proportion to the power of the system is its delicacy. This extreme sensitiveness causes our periodical panics. The amount of money held by bankers on short notice or on demand is enormous;

money that the owners could all ask for, money that in a panic many do ask for; and then it is perceived in what danger our industrial system, and the banking system upon which it depends, really are. Money will not manage itself. Our bankers have a large sum of money to manage; the task is not an easy one. The principle of our currency law is right; but in 1844, when started, there was nothing like the commerce or the deposit and banking business that now exists, and the time has come when it is imperative upon us to examine the system on which the great masses of money are manipulated, and we must have the will and courage to go to the root of the subject. No labour ought to daunt us, no prejudice should hinder us, no alarm at the convictions our inquiries may draw us into should make us recoil from their conclusions, as upon our commercial system our existence as a nation depends, and to maintain that commercial supremacy we must be sure that our currency system is not only safe and right, but the *useful* tool it should be, might be, would be, if we thoroughly grasped the subject.

It was a great boon when coining was originated. At first, the interposition of Government was limited to stamping bars of metal of a certain standard of purity as genuine, leaving the responsibility to the purchasers of testing their weight; but the superior conveniences of a coined currency soon caused it, in all well-organized communities, to supersede all other media of exchange possessing a substantial value. The most important question in respect to a real currency is the fixing of a standard of value; this is best accomplished by "one metal," gold. The earliest standard in England appears to have been silver, and the pound weight formed a sort of unit by which the value in silver of other commodities was estimated. "Gold coined abroad was introduced into England and circulated from about the ninth to the fourteenth century, the coinage of Constantinople being first used, and afterwards that of Florence. From 1257, when gold was first coined in England, it passed current at rates fixed from time to time by royal proclamation, until 1664, when the guinea, then first coined, was allowed to pass current, without valuation, according to the relative worth of gold and silver in the market. There were thus at this time two current standards of value, without any restriction as to their relative position. In 1717 the rate at which the guinea should exchange was fixed at 21s. Till 1774 both gold and silver were legal tenders, but all large payments were made in gold, which was then overvalued relatively to silver. New silver coins were exported as soon as they came from the Mint. In 1774 it was enacted that no tender of silver coin by tale should be legal for more than £25, and that larger tenders by weight

should be valued at 5s. 2d. per ounce. Gold had now first assumed an ascendency in the currency. In 1816 the value of silver was raised above its just proportions by coining 66s. instead of 62s. out of the pound troy, 4s. being retained by Government as a seigniorage. To prevent it from superseding gold in the currency, silver was now made a legal tender only to the extent of 40s. This arrangement still continues, gold being coined at £3 17s. 10½d. per ounce. The exportation of gold and silver coin was prohibited until 1819, when it was left without restriction" ("The Popular Encyclopædia").

It is strange, after the experience we have had of the effects of bi-metallism, that we should be asked to return to a double currency, and thereby artificially enhance the value of silver by about one-fifth. In 1774 silver was worth 5s. 2d. per ounce; in November, 1882, it is only worth 4s. 2d. per ounce. The tenders for Rs.25,000,000 in bills on India, received at the Bank of England, November 15th, 1882, were at an average rate of 1s. 7¾d. So great a depreciation in the value of one of the two metals used for coinage is a very serious matter, and justifies the conclusion that it is wiser, as the basis for our currency, to have but "one standard" of value. If silver be only worth 4s. 2d. per ounce, it is manifestly unjust by law to fix its relative value to gold in the proportion of 15½ ounces to 1. As a matter of justice, we want as much silver at 4s. 2d. per ounce, or whatever the market price may be, as will be an equivalent for the value of an ounce of gold—viz., £3 17s. 10½d., or 18$\frac{11}{16}$ ounces of silver, in exchange for an ounce of gold. By one standard we get a greater "fixity" of value; and barter or exchange is based as near as is possible upon the law of leaving matters to their natural course; as in nature, the tendency is always to gravitate towards a single centre. Gold, so far, seems to possess, above all other metals, the requisite qualities that qualify it to take the position for being a standard of value for all other commodities. This is proved by the course of international currency, which follows the direction of nature. National currencies affect, but they do not, cannot, control international currency, and there is no other authority which can impose laws upon it. So we are justified in assuming that that which happens in international currency is the best indication that remains of the course of nature. In international currency, gold is the one universal medium; silver ranks next, but far below it, although in some countries it may have the preference. Assuming a country is doing a foreign trade, it is absolutely necessary there be but "one standard;" as if two metals are allowed to circulate at a "fixed" ratio to each other, the fluctuations in their real value will cause divergences in opposite directions from the nominal stan-

dard, and shrewd debtors will pay their debts now in one metal, now in the other, according as the gold or silver is most advantageous to purchase; an advantage to them, but causing considerable injustice to creditors, whose liabilities are incurred by one standard and discharged by another. The most honourable plan for all parties, national and international, is the "one standard," the metal best adapted for the purpose, as a legal tender for large settlements, using the next best to a limited extent for the convenience of smaller transactions.

People talk of a scarcity of gold as if it were a great calamity, but the efficiency of a standard depends upon a general constancy in the relation between supply and demand. When a great discovery of gold is made, it is talked of as affording extraordinary facilities for commerce. No doubt goods are exported to Australia and California in exchange, but the immediate effect of these gold discoveries is to unsettle the value of the medium of exchange, and render it temporarily unsuitable for its purpose; and if such an increase in the supply continued, the metal would be wholly unsuited for the purpose of a currency. It is very inconvenient when there is a scarcity of currency, but though not so apparent, the inconveniences are much greater when there is too much of it. What is wanted is "uniformity," as much as is possible. Although in all transactions between different countries gold is the universal and final solvent, the majority of transactions are finished without gold. In fact, gold is never used unless it be absolutely necessary; it is too dear and inconvenient a process; bills and cheques are much more convenient, and much more economical. Thus, while gold and silver are the standards of value, "paper currency," or promises to pay gold and silver—which really means the bankers transferring from A's account to B's certain sums of money—answers just as well; nay, infinitely better than if the actual money passed at each transaction. The bill, cheque, or note promises to pay in currency, in coin that is the "legal tender," but the money is not wanted, so is not asked for. Paper money is all right if left to supply a natural want; paper currency is wrong when a Government wants to issue "notes" with no other security for their redemption in specie or other value than their own credit. Such a currency is unsafe, because it is liable to so many fluctuations in value, and, therefore, is not able to fix with the necessary certainty the value of other commodities. Paper money does very well for a commercial transaction, which is one of trust on the one hand, and one of responsibility on the other; but a paper currency will not do to settle liabilities with foreign countries, if useful and economical for every-day life and exchange

amongst ourselves. Any *doubt* about the currency, whether of bills, cheques, notes, silver or gold, depreciates its value as a currency, checks the free transfer of the one commodity for the other. This is the function of money—to facilitate exchange, to make easy and safe the processes of buying and selling. Government has no right to issue money; its duty is to regulate its issue, so as to protect its people against spurious, false money; this it does by stamping the coin used as the medium of commerce, so that men may take the pieces of metal, or bank notes as the representatives of stamped metal, with confidence, in exchange for their goods. The Government has to interfere, because, as Adam Smith says, "to prevent abuses, it was found necessary to fix a public stamp upon certain quantities of such particular metals as were in those countries made use of to purchase goods. Hence the origin of coined *money*, and of those public offices called Mints." The Mint, coined money, is from *Moneta*, a surname of Juno, in whose temple at Rome money was coined. Money is not wealth, but its representative; the having it implies, like a bill of exchange or a cheque, that the holder has parted with value equal to what it represents, and is therefore entitled to equal value in other commodities when he wishes to exchange it for the same. It is a means of circulation or distribution; it passes commodities from one to another. To be of the service it should be, it must be *undoubted*, received generally and freely, fluent and of ready utterance, because of the general esteem and high repute in which it is held. "Money" is a most important subject, yet how few understand it; and although all are so eager for it, yet how few know how to use it wisely, or understand what money is, its nature and qualities; how powerful a small amount of it is if judiciously used; how impotent, useless, worse than useless, to its possessor, if he does not understand its nature, and how to use the power in his hand. Adam Smith clearly demonstrated that labour is the one and only original source of the wealth of nations; but we still want a writer of equal calibre to clearly demonstrate to the people that the causes of, and remedies for, the distress and misery we are subjected to as a commercial nation from periodical "panics," arise from the people's ignorance of "money," what it can and what it *cannot* do, and its function as a medium of exchange. "Money," in its various forms of credit, bank notes, bills, cheques, is an enigma to the mass.

The importance of a knowledge of what "money" is, is best illustrated by the case of Overend, Gurney and Co. Within ten years, to descend from the highest pinnacle, standing next to the Bank of England in London—no English firm so well known abroad;

yet, by reckless *misuse* of the immense wealth they had in their hands, in six years they lost all their own and other people's money—a result solely attributable and traceable to their incapacity for, and ignorance of, the duties of their position; a result inevitable again, as also in similar cases to the City of Glasgow Bank, unless the people generally better understand what money is. The time has come when "Business," "Money," and kindred subjects must form part of every Englishman's education, and if taken up at the right time, the subjects are of such interest that *all* would be eager to understand them. I ask for earnest co-operation alike from the Pulpit, Platform, and School Board, to urge upon the people the importance for the future well-being of the nation that all English youths be taught such subjects, and so, step by step, we may make men more thoughtful, better men of business—their actions the result of study and reflection.

Money is a commodity, of the same general nature as all other commodities, accepted as a representative sign of the value of all other things, to act as a medium of exchange, to get over the difficulties of direct barter. Thus a purchase for money involves two exchanges; it is only half, not of an exchange—as Mr. Macleod puts it in his useful book, "Economics for Beginners"—but of a transaction of procuring by two operations of the tool, money, the commodity desired. Aristotle says: "It was agreed to give and to receive in exchange a substance which, useful in itself, was easily available for the common requirements of life; iron or silver, for example, or some other analogous substance, of which the dimensions and the weight were first determined, and which subsequently, in order to save the trouble of perpetually weighing and measuring, was marked with a particular stamp in token of its value. With money, the outcome of the earliest indispensable exchanges, arose also another sale, another form of acquisition, exceedingly simple in its origin, but soon developed by experience, as it was discovered that the circulation of articles was the source and the means of considerable profit." The above contains the philosophical experience of the soundest and most advanced theory of the true properties of, and the value to commerce of, money. Money must have a value of its own, corresponding to its conventional value as a circulating medium; money is a commodity, a species of wealth, with an enhanced value owing to its being the best medium of exchange, as it is the most convenient representative thing, the most general and convenient measure of all other commodities or things. But it is essential that people generally should understand better that although a wealth in itself, its chief power consists in its power to secure all other wealth; its utility consists in its ready convertibility, its ready adaptability, nearly

everywhere, in exchanging itself for any other article needed. As Aristotle puts it, "Might not the moneyed man be lacking in something of primary necessity; and is not that an ironical kind of wealth which does not prevent a man from dying of hunger, like the Midas of mythology, whose avaricious desire changed into gold all the viands on his table?" Money should be used, not hoarded; its utility consists in its effecting exchange, not in being kept idle.

Very few men have the true theory of money in their minds, and the importance of the coin being an article of wealth as well as of its mercantile value as a circulating medium, should be brought more prominently before their notice. No Government should be allowed to debase the coinage; the coin in circulation should be always really the value it represents, and not a fictitious value put upon it by the Government stamp. Inconvertible paper money is of the same nature as debased money, issued under the false plea that money is only a sign, that anything will do if passable; like accommodation bills, they do not represent value received, and deplorable consequences follow from their adoption by the individual or nation. Common sense, as well as the true commercial instinct, warns us to adhere strictly to true monetary principles—notes issued against security and convertible into coin, or value, based upon the honest utterance of a genuine metallic coinage. As a rule, free people never have bad money; whereas the temptation is constant to a despotic Power to defraud its subjects, and so to realize at their expense unlawful gain, by imposing on them as genuine, money which has neither the purity nor the weight necessary in order that its real value should correspond to the nominal value for which it is issued. But when the nation itself takes part in the administration of its affairs, although the principles of political economy may not be fully known or understood, natural good sense and the practical use of money will suffice to prevent recourse to operations, the inevitable result of which is the ruin of the State and of individuals. Thus, until the introduction of the system of representative government into England, republics were, by the very principle of their constitution, far better secured than monarchies against the curse of the adulteration of money. When this evil was rife throughout Europe, in the Middle Ages, it was the merchant republics, like Venice and Florence, that had the surest guarantees against it. When the spirit of liberty prevailed, even in states which had a monarchical constitution, like those of the successors of Alexander, the money remained good, and the true principles of a sound currency were maintained. Wherever liberty was lost, these principles were lost sight of, and the coinage was tampered with. For example, at Syracuse (the silver coins being

elsewhere of good quality), complete bankruptcy was brought about by a change in the intrinsic value of the money which formed the basis of all reckoning; as a rule in the history of nations, bad money will be found to bear the stamp of king or tyrant. The Kings of Persia were among the earliest to begin an extensive and systematic adulteration of specie. In the last century of its existence, the Persian monarchy, which had endeavoured to realize the chimera of the double standard, persisted in seeking to maintain a legal value for gold 13½ times greater than that of silver, although the commercial value of that metal had fallen everywhere at least 11 per cent. Necessarily, in spite of royal ordinances, there followed an export of silver to the Hellenic mart in such quantities that at the time of the conquest by Alexander it had disappeared almost entirely from the interior provinces of the empire, where there remained only gold, greatly depreciated by that fact, though still retaining its nominal value. In matters of finance and political economy, one mistake leads to another by an almost fatal sequence, and there are few greater errors than when the people accept unresistingly the idea that the royal will was enough to give to a piece of metal, bearing his signature, a value which it could never have commanded commercially in the form of a mere ingot. Coined money in circulation should be equal in real value as metal to its nominal value; the coining and stamping are only of service, that the people may be sure, without the trouble of weighing, that, in a piece of money bearing the official stamp, they have the same quantity of fine metal as in a piece of the same weight as the usual commercial ingot. Money, briefly, should be a real marketable article, and not a mere conventional sign of arbitrary and uncertain value.

Cicero tells us that in the time of Cinna, the value of the Roman coinage had become so dubious that no one knew precisely what it was worth; and so in the year of Rome 670 (B.C. 84), the tribunes of the people and the prætors deliberated on the measures to be taken in order to remedy this depressing state of things. An edict of the prætor, M. Marius Gratidianus, instituted officers for the verification of the coinage, suppressed the enforced circulation of the plated denarii, ordered that they should be withdrawn from the public coffers, and that denarii of a true standard should be given in exchange. The popular enthusiasm with which this Act was received gives some idea of the gravity of the evil to which it brought redress. Statues were raised in all the public places to the prætor who had taken the initiative in so beneficent a reform, and almost divine honours were paid to these statues by burning incense and wax tapers before them. The Romans were right; no man is more worthy of a people's homage than he who dares brave the selfish interests of the

few, that right may be done to the many. In reading ancient history, there is no better test of the character of the emperor than the more or less sound ring of the coins struck during his reign; and at all times it is an infallible test of a man's character, this money-test; there is no surer indication whether the individual worships God or Mammon. The man who offends his God by not being equal to adhering strictly to right, and allows the temptation of a pecuniary gain to make him swerve from the dictates of his conscience, has given proof by the most unmistakable sign that he is a slave of Mammon, and will barter his soul, sell his manhood, for a mess of pottage. There is no more infallible sign of the weakness, the insignificance, of the individual than this degrading servility to greed, as it indicates a man who will barter his soul, sell himself, for money; and his gradual descent from high resolves may be traced as this desire, this one vice of avarice, gets possession of his soul. So also there is no more infallible symptom of the decay of a state than the corruption of the coinage, and the steps of this decline are marked by the successive depreciation of the money. Such action indicates a low morality, as in modern times relying for relief on the "suspension" of the Acts upon which the nation's currency, "money," is based, indicates a want of education, a want of intelligence.

You will best realize the value of "honest" money by considering the following picture drawn by François Lenormant, in the *Contemporary Review* for February, 1879. After proving that the false theory of the essence and origin of money had become embodied in the laws and firmly rooted in the minds of men, he says:—

"The reigning princes made more or less use of it in proportion to their unscrupulousness and cupidity. The true and sound theory, always known and practised among the Greeks, had fallen into a complete oblivion through a long course of ages, and the fatal error, which was the economic curse of the Roman Empire, was transmitted to the Middle Ages, and became the source of wide-spread misery. Let us call to mind the disastrous consequences, in the young Christian societies of the West, of the doctrine borrowed from the Empire of the Cæsars, that money was simply a sign, owing all its value to its official impress. The infinite diversity of petty Powers during the feudal period added to the confusion which had prevailed even under the Empire. Each feudal lord struck some coin, and every monarch made some change, greater or less, in the currency, in order to disguise his actual bankruptcy. It was required that payment to Government should be made quarterly or monthly in the current coin, and according as the prince was debtor or creditor he lowered or raised the monetary standard. These nefarious proceed-

ings failed in their end; the bad money, following an inexorable law, drove out the good, and, after perplexing and mischievously oscillating, the value of things was adjusted to the depressed money standard. Hence ensued the disappearance of the good money and the rise of prices—evils which it was sought to remedy by prohibiting exportation, and fixing a maximum for prices—measures as unavailing as they were obnoxious.

"Errors, frauds, and deeds of violence followed each other in fatal succession, always leaving behind the same result,—corrupted morals and commercial panic. The periodical depreciation of the money caused universal confusion; the *morbus numericus*, which was described as no less fatal than the plague itself, visited every country. Spain, Portugal, England, the Empire of Hungary, Bohemia, Naples, Savoy, suffered from it no less than France. Everywhere the old imperial idea of the arbitrary value of money depending on the will of the Sovereign was hailed by unscrupulous Governments, anxious to use it for their own advantage.

"It was vain for religion to thunder against these abuses through the popes and bishops, who were not always themselves exempt from the same fault; it was vain for poetry to borrow the pen of Dante to brand Philippe le Bel as a forger:

> 'Là si vedrà il duol che sopra Senna,
> Induce, falseggiando la monetà.'

"The world continued to suffer from an evil the true nature of which it failed to recognize. The angel of the school, the great Thomas Aquinas himself, although, following in the footsteps of Aristotle, he enunciated the true principles of money, contented himself with counselling the sovereigns to make 'a moderate use' of the monopoly of the money, 'Sive in mutando, sive in diminuendo pondus.'"

Throughout the whole of the Middle Ages we find only one man who, by an effort of good sense, amounting to genius, and peculiarly admirable in the midst of the prevailing errors of the time, perceived the true bases of the monetary theory. This was Nicholas Oresme, Bishop of Lisieux, whose name was rescued a few years ago by M. Wolowski and Roscher from the unjust oblivion of five hundred years, and whom they have rightly declared to be a great economist and the precursor of the deepest researches of modern science in this department. But the wise teachings and the efforts of Nicholas Oresme had no result beyond the reign of his friend Charles V., to whom popular gratitude has awarded the surname of "The Wise." After the death of this prince, the truths which the prelate economist

had brought again into the light were soon forgotten. The tampering with the money was resumed, practised perhaps with a little less folly and at rarer intervals than in the fourteenth century, but still practised.

It was not till the sixteenth and seventeenth centuries that thoughtful and courageous men, in Italy and in England, began to demonstrate again the fallacy of the doctrine which attributed the value of money to the sovereign power; and in France it was not till the Constitutional Assembly of 1789, and the renaissance of economic science, that this doctrine disappeared from theory and practice, and a monetary system was established based upon true principles, upon the notion that a sound coinage ought to have a real value as merchandise, corresponding to the nominal value for which it is current.

Such has been the fatal heritage of calamity and confusion handed down to the world for many ages by an error of political economy, the direct offspring of despotism. In casting a rapid glance over the monetary history of antiquity, we see this great truth brought out on every page, that in order to have sound finances, true money, and a good government, the first conditions are liberty, the right of control and of discussion; that despotism, if it seems sometimes a reparative agent, and holds out fair promises to material interests which may have been imperilled in the storms of liberty, never brings more than a temporary relief, and inevitably drags a nation down to ruin, by working on false economic principles. All human science ought to have its moral teaching. If the study of numismatics should have no other results than to confirm by irrefragable evidence this important lesson, it would deserve a high place in the category of those erudite labours by which we recover the archive of man's mental and moral history. M. Wolowski, an eminent French economist, has briefly said: "The permanent hostility of nations, commercial crises, the depreciation of specie, covert bankruptcies, assignats, paper money, hatred of capital, chimerical schemes of financial renovation, such are the dire consequences of false views on the subject of money."

THE ORIGIN OF MONEY.

To the Greeks we owe, if not the invention, at all events the very general extension of a circulating medium in the form of coin, and on their coins of the very earliest period we find records of the migrations, the mythology, and the manners and state of civilization of this great and interesting people. At a later period, it became customary in Greece to place the name of the chief magistrate for the time being on the public money, and this is still the general practice. The coins of the Greek colonies of Italy, Sicily, Spain, and Gaul, also offer an endless variety of interesting illustrations of history, biography, and the progress of the arts; but the Roman series, which rose, as it were, on the ruins of that of Greece, are of the highest historical importance and interest. Addison, in his entertaining dialogues on coins, on which Pope wrote his well-known poem, calls the Roman coinage a sort of "State Gazette," on which all the truly great events of the empire were periodically published; and when we find such announcements as *Egypta Capta* on coins of Augustus, struck on the conquest of Egypt, *Judea Capta* on those of Vespasian, issued when Judea was finally subjugated to the Roman yoke, or "Rex parthis datus" on the coins of Trajan, when the Roman Emperor gave a king to the Parthians, we must allow the aptness of the term.

The modern series consists of Anglo-Saxon, Anglo-Norman, and English coins, and is perhaps more perfect and complete than that of any other state; and exhibits every stage of development, from the rude Saxon penny of Elizabeth to the great coinage of gold nobles in the flourishing part of the reign of Edward the Third, as well as the links of all subsequent progress. The eventful reign of Charles the First might be exhibited very graphically in a small cabinet of his coins—the rude "siege pieces," struck without coining apparatus in different parts of the kingdom whither fluctuating fortunes drove the unfortunate prince, serving as monuments of almost each disaster or temporary triumph; among which not the least remarkable are the great twenty-shilling pieces of silver coined, at Oxford, from the plate given up by the heads of colleges to be melted down and coined for the royal cause; in which processes perished some of the noblest

specimens of the exquisite skill of our early silversmiths and goldsmiths, the loss of which will never cease to be regretted by all true lovers of art (Humphrey's Coin Collectors' Manual). The Assyrians invented letters of credit. The Hebrews had no coins until the time of Simon the Maccabee, 155 to 144 B.C. The earlier mention of pieces of silver should be shekels in the sense of a weight, not a coin; and the earliest mention of true coins in the Bible refers to Persian money, the word drachm being a mistake for "daric."

Throughout the early part of Scripture, as well as through the poems of Homer, not a single passage occurs from which we can infer either the use or the existence of stamped money. Metals, however, being close and compact in form, universal as to use, and admitting of division into larger and smaller parts, must soon have become the representative of value. Herodotus (i. 94), speaking of the Lydians, says they were the first people on record who coined gold and silver into money; which only means the first people that he had heard of. The *Parian Chronicle* ascribes the origin of money to the Æginetans, under Pheidon, King of Argos, 895 years before Christ. The best numismatic antiquaries agree in considering the coins of Ægina, from their archaic form and appearance, as the most ancient known. They are of silver, and bear on the upper side the figure of a turtle, and on the other an indented mark, as if the metal, at the time of striking, had been fixed upon a puncheon, and from the weight of the blow had received a deep cleft. In later coins of Ægina, the turtle has been changed to a tortoise, and the fissure on the other side converted into a device. The coins of Lydia probably come next in point of antiquity, and then the early darics of the Persian king, which occur both in gold and silver, and bear a strong resemblance to the coins of Ægina in the mode of striking; these, if they are to be referred to Darius the First, must have been coined between B.C. 522 and 486. There are coins in gold of the early kings of Persia, similar in type to the silver darics, and of very minute size ("National Cyclopædia").

English coins, pennies, halfpennies, and farthings, in silver and brass, coined by the Anglo-Saxon and Anglo-Danish kings, are very numerously possessed. Similar coins, struck by the Norman and early Plantagenet kings, and by the nobles, bishops, and other authorities, still exist. In the reigns of the later Plantagenets, groats and half-groats were coined; and gold coins, in value equal to eighteen groats, called florins, with half and quarter florins. Before this time, gold had been but little used for English coin, and had borne no distinct name. The noble, whose value is yet preserved in the

well-known legal fee of 6s. 8d., supplanted the florin, and was displaced, in the time of the Yorkists, by the angels (equal to it in value), the half-angels, and the vials, equal in value to thirty groats. The accession of the Tudors introduced new coins; in silver came the crown, half-crown, shilling, sixpence, and its half, quarter, and eighth parts; in gold, the sovereign and double sovereign, crown, half-crown, and noble. With the Stuarts were introduced guineas, half-guineas, and two and five guinea pieces in gold; with halfpence and farthings in tin and copper. Quarter-guineas in gold were struck in the earlier reign of the present house. Copper pence, and twopenny pieces, and seven-shilling gold pieces, were issued by George III. At the end of the war our present coinage was introduced, excepting four-penny pieces, which were struck by William IV. in silver, and threepenny pieces, in silver, and the farthing, in copper, by our present monarch. Double sovereigns and five-sovereign pieces were struck in gold, but are not in general circulation; and twopenny, penny, halfpenny, and penny pieces in silver, also, which are usually called Maunday-pence, from an ancient custom of giving these and other small silver coins as alms on Maunday Thursday at the Royal Palace. It must not be supposed that the value of these coins continued the same, as the sameness of the name would seem to imply. The worth of metallic money always depends upon circumstances which no Legislature can control, and as it can always be converted into bullion, no laws can keep it at a fictitious value ("Barclay's Dictionary").

Abraham's purchase for four hundred shekels of silver, "current money with the merchant," of the field and cave of Machpelah as a burial-place for Sara, is almost the earliest instance on record of a money transaction. In the same Book of Genesis we read that Joseph's brethren, when they went into Egypt to buy corn, found their money returned to them in their sacks, "each man's money in the mouth of his sack in full weight." This is worthy of remark, as indicating that in that early age it was not only the habit to count money, as to the number of pieces, but to take cognizance of its weight. The fact of their counting as well as weighing is apparent from another chapter, where we are told that Joseph, when he sent his brethren for their father, made presents to them of changes of raiment, "but to Benjamin he gave three hundred pieces of silver." Thus early in the history of the patriarchal dispensation we find that a silver currency, guarded both by tale and by weight, was in ordinary use; so it is probable that trade, as we now understand the term, was even then—nearly two thousand years before the time of Christ—an old institution. Mere barter of one commodity for another, which marks the transition of

each nation or group of men from barbarism and theft to civilization and commerce, had been superseded in those earliest communities that arose in the garden land of the world. While Abraham's ancestors were leading a pastoral life in Ur of the Chaldees, their neighbours of the Aryan stock were building cities and developing commerce in Persia and India, and the patient settlers on the banks of the Nile were making Egypt a granary for all nations. Abraham, "very rich in cattle, in silver, and in gold," going down to sojourn in Egypt, with his flocks and herds and tents, because there was a grievous famine in Canaan, only did what other fathers of nations often had to do in times when it was easier for men to travel hundreds of miles in search of food than to wait until the food was brought to them. It was so two centuries later, when Jacob and his family went to settle in the land of Goshen; and the history of Jacob's son, Joseph—first a slave, then Potiphar's clerk, then Pharaoh's Prime Minister—is the earliest biography extant of a great merchant prince. The industry and shrewdness, the skill in turning all things to his profit, and the fidelity to his own race which Joseph displayed, have been the inheritance of the Jews, and the main source of their commercial success during the past five and thirty centuries ("The Romance of Trade," by H. R. Fox Bourne).

The value of money consists in its utility as the best medium of exchange to be had. It is by labour that all things valuable to mankind are produced, and it is by exchange alone that individuals are enabled to partake of a great variety of commodities which their own labour could never, by any possibility, have commanded without it. In an advanced state of society, the food, clothing, habitations, in ordinary use amongst all classes of men, are composed of immense numbers of ingredients, the result of the industry of individuals scattered over the face of half the globe. It is evident, therefore, that if each person could obtain nothing but what was produced by the labour of his own hands, or be exchanged by the old system of barter, mankind never could have emerged from a state of the rudest ignorance and barbarism; and by its system of "currency" we have a sure indication of a nation's intelligence. The first use of money marks an epoch in the history of commerce, was indeed the beginning of commerce, as in all its subsequent stages it has served as its pivot or fulcrum. The banker's calling began almost with the beginning of society. No sooner had men learnt to adopt a portable and artificial equivalent for their commodities, and thus to buy and sell and get gain more easily, than the more careful of them began to gather up their money in little heaps, and great heaps, if they were fortunate enough. These

heaps were by the Romans called *montes*—mounds, or banks—and henceforth every money-maker was a primitive banker. When and in what precise way the great advantage of joint-stock heaping up of money was discovered antiquaries have yet to decide. It is enough for us to know that everywhere, as soon as commerce and patriotism had engendered enough fellow-feeling and community of interest among groups of men and sections of society, banking began to pass out of its first rude stage and to advance towards the condition in which we now find it; and by giving the subject the necessary thought, our banking system, with the principle of the Currency Act judiciously enlarged, is quite able to meet the needs of an increasing commerce. Bankers or money-changers' tables were famous institutions all over the civilized world of the ancients. Livy tells how, in 308 B.C., if not before, they were to be found in the Roman forum, and later Latin authors make frequent allusions to banking transactions of all sorts. They talk of deposits and securities, bills of exchange and drafts to order, cheques and bankers' books, as glibly as a modern merchant. But these things were nearly forgotten during the dark ages, until the Jews, true to the money-making propensities that characterized them while they still had a country of their own, set the fashion of money-making and of banking in all the countries of Europe through which they were dispersed. Their first customers and their first disciples were the Italian merchants who made Venice, Florence, and Genoa great during the Middle Ages. In England, under the Plantagenets—it was the same in all the mediæval states of continental Europe—Jews and Italians settled themselves as traders in everything, but especially in money, wherever any sort of fruitful commerce was carried on. The kings of England used them as cashiers, pawnbrokers, and the like, until their own subjects were sufficiently trained in monetary arts to take their place; and the royal examples were followed by all manner of folk who had need of gold, and credit enough to obtain it. Old Jewry and Lombard Street marked the districts in London that were frequented by these foreigners between the twelfth and fifteenth centuries.

The Jews and Lombards in England, however, were only bankers in the sense of money-lenders; and the Englishmen who succeeded them were of the same character down to the seventeenth century. What Sir William de la Pole was to Edward III., Sir Richard Whittington was to Henry IV. and Henry V., and Sir Thomas Gresham to Edward VI. and Queen Elizabeth; and these famous men were only representatives of an irregular class of bankers, who enriched themselves and added greatly to the wealth and welfare of England

during a dozen generations. All merchants were then to some extent bankers, but the trade of banking in its primitive condition was especially a part of the goldsmith's calling. This was only natural when gold was money much more exclusively than it is now. The banking occupation of the goldsmith was unintentionally introduced by Charles I., who, when sorely in need of funds with which to raise an army against the rebellious Scots, took possession of about £200,000, lodged by the merchants of London in the Royal Mint as a place of safe custody. From that time the Mint ceased to be employed as a bank of deposit; but the troubled state of the country, just entering upon civil war, rendered something of the sort more necessary than ever. The example of one or two who entrusted their savings to the goldsmiths, accustomed to the guardianship of large amounts of treasure, was quickly followed by others. This new arrangement found favour more rapidly through the willingness of the goldsmiths to pay interest for the money placed in their hands; and long before the time of the Restoration they found themselves placed in a position very similar to that of private bankers of the present day; some of them, indeed, were actually founders of banking houses that now exist. William Wheeler, one of the number, left his shop in Fleet Street, next door to Temple Bar, to his son-in-law, Francis Child, known—probably because he was the first to throw aside the goldsmith's trade, and make banking his only business—as "the father of the profession," and the same site was occupied till recently by the establishment which he made famous. James Hore, or Hoare, who settled first in Cheapside, and afterwards in Fleet Street, was, in like manner, the builder-up of the business that yet bears his name. (For further details of Banking, &c., the reader is referred to "The Romance of Trade," by H. R. Fox Bourne.) The goldsmiths gave paper bonds for the vast sums of money that they received, just as they had been in the habit of receiving paper bonds for the money that they lent; and they soon had half of the actual coins of the land in their keeping; and the paper equivalents for it, issued by them, came to be used everywhere as money. Thereby inordinate power was placed in their hands, and great risk was incurred by those who made them their cash-keepers. The money entrusted to them was often lent out by them at high rates of interest, and if they failed through their own speculations, their clients were the chief sufferers.

To lessen this danger, and provide a means for merchants to lend and borrow money, the Bank of England was started in 1694. The earliest bank was that of Barcelona, founded in 1401; the Bank of Venice did not receive money on deposit before 1587; the Bank of Genoa did not perform genuine banking business until 1675. Banks

were opened in Amsterdam, Hamburg, and Rotterdam, early in the seventeenth century, in each of which private speculators, in return for special services rendered to the State, in lending it money and collecting its revenues, received from it special privileges and protection in their financial relations with their fellow-citizens. The Bank at Amsterdam was most prosperous when William III. became King of England, and from it William Paterson to a great extent derived the suggestions which he offered to Parliament in 1691. To appreciate at its proper worth the wise methods of banking and finance Paterson advocated, we must recollect the systems of public borrowing then in vogue. "When the Treasury was empty," as Macaulay says, "when the taxes came in slowly, and when the pay of soldiers and sailors was in arrear, it was necessary for the Chancellor of the Exchequer to go, hat in hand, up and down Cheapside and Cornhill, attended by the Lord Mayor and by the Aldermen, to make up a sum by borrowing £100 from this hosier, £200 from that ironmonger; and for these paltry loans he had to pay such interest as spendthrifts now pay to extortionate Jews upon accommodation bills." In 1691, the National Debt being then a new thing, Paterson was examined before the House of Commons as to the best way of collecting and managing public loans, the public debt, then £3,000,000, being apparently an overwhelming burthen to the country. He suggested that a fixed sum of £1,000,000 at 6 per cent. should be subscribed by a corporation of merchants, and converted into a permanent fund, to be employed partly in meeting the pressing claims upon the State, and partly in forming a public bank, "to exchange such current bills as should be brought to be exchanged, the better to give credit thereunto, and make the said bills the better to circulate." The suggestion was demurred to by Parliament, the old struggling ways of borrowing were continued, and by 1694 the debt was thus raised from £3,000,000 to £6,000,000, and the Government found itself in such embarrassment that it was forced to adopt Paterson's project substantially, though not quite as he planned it, for a bank of England.

In 1693, "Mr. Paterson" is mentioned in the journals of the House of Commons as appearing before a committee on behalf of capitalists of London, to offer money for the public service upon parliamentary security, with the *new condition*, that their bills, *payable in coin* on demand, should be made transferable without *endorsement*. Herein you will perceive the origin of the Bank of England note—paper money representation of gold, paper money based on the value of gold; being payable on demand in coin, transferable, and payable to bearer. At the present day we can judge, by the specious arguments of those who advocate *paper* money, the difficulty Paterson had in

answering by his tracts the specious writings of the numerous projectors of the many wild schemes then so rampant, who, to further their own ends, boldly advocated a Government paper money, or transferable bills *not payable in coin on demand*. Paterson in 1691 proposed means for restoring the coinage to its proper standard; but his advice was not taken, and ultimately the measures adopted on that head with great ability by Mr. Montague, afterwards Earl of Halifax, were far less economical, and even less effectual, than the plan produced by Paterson. On that occasion, in 1696, the Bank of England, the direction of which he had quitted, was compelled by mismanagement to stop. The stoppage was the more serious as it took place pending the difficulty respecting the coin; and the value of the bank notes sustained a great fall, since the credit of the Bank itself was weakened. From two letters (attributed to Paterson) sent to Mr. Locke against lowering the standard of the coin, as proposed to the Treasury by Mr. Lowndes, I extract the following, as being of universal application; and as they also clearly demonstrate the value of credit, and how alone credit is to be obtained and maintained, the lesson conveyed is no less applicable in 1883 than it was in 1696:—

"The discredit of the coin, from its being clipped or worn, and the discredit of the bank notes, in consequence of the refusal of payment by the Bank in gold coin on demand, are the same thing, and he insists that the proprietors of the Bank, and the directors, have only one course open if they would be safe. They must pay the amount of their notes in coin on demand, whatever it might cost them."

It is only by understanding our monetary system that we can realize the power of "credit." Our commercial system is based upon faith; cheques, bills, notes, are mere bits of paper, and only *promises* to pay; yet so great is the power of "credit," that transactions to the extent of "over £100,000,000" weekly are effected through the Clearing House. *Gold* is a mere pigmy, as a medium of exchange, to this giant, "paper," based upon "credit." Simply by system and faith, in conjunction with banking, this institution settles the exchanges, the buying and selling, to this enormous amount, without the aid of a single metallic coin,—merely by book-keeping, or *transfer* of cheques, the debiting or crediting of A or B. Credit—few know its power, how strong it is; as the air, to buoy you up; how slight it is, as a mere vapour; when roughly touched, can do an amount of mischief of which it is impossible to foretell the extent. Mr. Harvey says, "Paper money is the money of civilization." He is right; but I contend we have already in operation a paper money, "cheques," doing its work well, and a monetary system, based on *reality*, that,

with an intelligent expansion, is quite capable to meet the needs of 1883. There must be no tampering with this principle; it must be a paper binding its issuers to their last penny to honour it on demand with gold, or with securities or produce calculated upon the value of gold. It is this belief that has made bank notes so useful to us, and enables "cheques" to take the place of coin. Paper money, unless based on real money, is like a bill of exchange from a doubtful trader, or an order from a man in bad credit. Prudent men leave both alone; the gain is doubtful, the certainty of a loss at some period is inevitable. For paper money to have a legal security, to have the value of real money, it is essential that the belief exists that the law compels that it shall not be issued except upon a money basis redeemable in gold, or of equal value to gold, on demand. Any faltering in payment of paper diminishes its value; it has become a kind of clipped coin, and no security can restore the apparent value but the confidence of the nation that the note will at all times and anywhere be of equal value to the money it represents. There is no necessity for this metallic guarantee to be abolished, as our commercial panics do not arise from too little gold, but upon the too large use of paper bills of exchange, that have got into circulation upon the representation that the merchant has consigned goods abroad to the value thereof, or that they represent a debt due by A to B; and the value in both cases not being real, the collapse is inevitable. And I have failed in all the methods ever brought under my notice to see how this can be remedied by any system of paper money based upon labour, land, and other so-called articles of value, as the value must depend upon supply and demand; and if paper money could be had by all producers, there would be too much of one thing and too little of the other. Therefore *gold* is the best measure of value, and the basis of the best medium of exchange between all men. We do not take a note if we think it can only be paid by another note which has a limited sphere of value, but we take it because we think at any time the five sovereigns it represents are to be had by applying for the same, and that the five sovereigns will give us equal value to what we gave for the note anywhere, everywhere. You may talk as you like about money being only a medium of exchange, you cannot alter the fact that money is the universal medium of exchange, because it is based on the value of gold or silver; and paper is taken as money because it is accepted as a promise to pay gold for it when wanted. Paper, like steam, is eminently useful in prudent hands, but of tremendous hazard when not controlled; and the majority lack the practical wisdom required to manage paper money, the sagacity to know when to expand and

contract it; and they forget that, working with such explosive materials, whenever there is a doubt, they should incline to the side of safety. Hopeful men are not fit to use such a dangerous weapon,—they over-trade; but there could be no over-trading without reckless credit, and the latter is caused by the facilities offered by banks. The remedy for panics is to borrow less, to give less credit, and to keep trade to legitimate demands and healthy channels. Keep, in fact, to real money, which can hardly ever multiply too much in any country, because its legitimate increase is the certain sign of the increase of trade, or thrift, of which it is the measure, and consequently of the soundness of the whole body. But paper money may, does increase, without any increase of trade or thrift, for it is not the measure of the trade or providence of a nation, but of its necessities; and it is absurd, and must be ruinous, that the same cause which naturally exhausts the wealth of a nation should likewise be the only productive cause of, or representative of, its money. For instance, there are those who argue that "Consols" should be the basis of money. A, they say, lends the Government £1,000, and if he had a transferable promissory note, he would retain a representative of his money, although he had parted with the reality. I know no better way of explaining the respective merits of gold and paper. Those in favour of the gold currency say "No." A has transferred his gold to B, therefore is simply entitled to his name being entered down as a creditor of the State, entitled to so much interest, and with power to sell his debt when he can find a purchaser, and it would be very unfair, and depreciate the value of every one else's gold, if he had a piece of paper like a bill of exchange that he could cash in case of need for the money so lent. There would be in reality two moneys in existence, the "paper money" and the "real money," for which the borrower has been able to obtain value in exchange, the paper money representing a debt truly, but with no real money behind it; as money in the funds is not *money* at all,—it is a debt, bringing in a certain interest yearly, and on account of the regularity of payment of this interest, the people with money generally are willing to pay the money back to A and have the indebtedness transferred from his name to theirs. But, in plain language, the possessor of £1,000 worth of stock possesses nothing in reality but the right of receiving the interest of £1,000, which money of his, the Government of the time having need of, borrowed of him, and spent. Bank notes as now issued are the only legitimate paper money, and the nation should watch jealously any increase thereof, unless warranted by an increase of gold in the coffers of the Bank; or, as you will perceive further on, my opinion is, that the

State alone should issue notes; and that all bankers ought to have the right to obtain the notes they require, by depositing with the Government national or other securities of the full value of the same; every note to be stamped when issued in proportion to its value; and that notes should be issued for £1, £2, £3, £4, as well as for £5, &c., as at present.

Paper money is one of the most extraordinary inventions of civilization; by it credit was possible. I do not mean the power to purchase, for that exists whenever man has confidence in his fellows, but a paper money that had the power of effecting payment without the real money. A bank note circulates and operates with full power over labour and goods as if it were the gold it represents; yet that gold has disappeared. The origin of paper money is described by Adam Smith in his account of the Bank of Amsterdam. When any one placed gold and silver in the bank, the bank would pay the amount as he ordered. He could thus transfer his right over the bullion to another, and the mere right came to be accepted as equal to the reality. Sometimes bank receipts were given for the deposits, and the transferable bullion receipt was the parent of the bank note. It was a mere piece of paper, but it conferred a legal right, which was not exercised, because, while gold awaited it, it served every purpose that the gold could serve, and was more convenient. Now and then a little was wanted for special purposes, but the bulk of it was invisible, for no eye had penetrated beneath the surface. At length the thought occurs that, if honesty would permit it, this bullion may as well be made use of, or that proportion of it not likely to be asked for; and the next step was to lend it out on good security, so that if the owners do ask for it, the securities can be realized. So part of the stock of bullion was lent, and for the first time there is not gold enough in the vaults to pay all the bullion receipts that are in use, but sufficient to pay all that are likely to be presented; and we have in operation paper money, in the shape of bullion receipts, and also part of the gold the paper money represents. The new power ceases to be what its origin indicated—a representative of bullion. From the moment "paper" representing gold, and part of the gold so represented, were both in use at the same time, paper money ceased to be a representative of bullion, and has not been that representative ever since; now less than ever, for our stock bears but an infinitesimal proportion to our paper. Gold is only the "measure of value," the standard by which changes are effected. Our paper, however, is a representative of real value, of securities valued by the gold standard. The community is served, and not injured, by having the use of the dormant hoards hidden in the vaults of the Bank; and the nation

has as currency the paper and the gold together, both alike having the force of money. This is the present position of the Bank of England. So many millions sterling are, as it were, taken out of the bottom of the hoards and replaced by Government securities, the Bank being still liable to pay, as if every note had still the gold behind it; but the severance of the two is really complete. This was the origin of paper money, and the first *stratum* of credit being thus formed, it was a clear addition to the previous aggregate of paying power, and other layers have been successively superimposed upon it, in the shape of bonds, bills, cheques, &c., with the consent of society, to meet the requirements of national and commercial development. The most valuable paper money of all is the cheque; by its aid nearly all the cash accounts of the kingdom are paid. Such cheques are *not paid*, owing to that valuable institution, the "Clearing House." The cheques are transferred in bulk from the one banker to the other, a cheque being given for the difference; the operation is complete by debiting the drawer's account and crediting the payer in's account in the bankers' books. We have here a great improvement upon the old system, when a cheque was always presented for money. This simple book credit is, however, a new form of the money power. A cheque is an equivalent for gold and notes, but much more preferable, as it pays without weighing or counting, or dangers of loss; it is a sign of faith, it is the symbol of civilization, it is a credit to man's intelligence, it is equal to any extension of commerce, as by its aid, in conjunction with the Clearing House, all settlements, irrespective of amount, can be effected, and with the same facility and rapidity.

It will do us all good to understand money better, and talk about it more than we are in the habit of doing. It is the key to a man's character how he talks of money. Most people treat money as if it were a sin to mention it; it is a subject rarely talked about in society, or they hug it to themselves as a bosom friend. It needs a well-balanced brain to understand and treat money at its real value, and you can detect the weakness or strength of a man by the way he talks about money. Some will speak of it as if happiness consisted in possessing it; whereas happiness is not in the money, but how the man will use it. The secret of happiness is to look things in the face, to resolve to do your best and endure the worst, to realize that "all is not lost when much is lost." The happy man is he who grasps the idea that the struggle of making life contented is always to make the best of things that might be worse; to such souls "there are spring days in winter."

WHAT IS MONEY?

"Money is a power whose sway
Angel forms adore,
And the lost obey,
Weeping evermore."

"MONEY is the expression of wealth, the voucher of accumulated gains, a 'universal language' of property all over the civilized world. It is an *open sesame* which everywhere admits us into the enjoyment of other men's goods or labour. Unlike houses, or horses, or hounds, or food and clothing, or works of art, or articles of merchandise, money is of no use in itself—only as a means of getting other things. To borrow the language of the schoolmen, the value of money is in *posse*, that of other articles in *esse*: the one is potential, the other is essential. Money is a useless thing for ever doing useful things—a valueless thing for ever purchasing things of value. Like the electric fluid, money is undynamic when at rest: it is only when in motion, passing in payment from one owner to another, that its great power is manifested. But that power, we repeat, is merely imputed to it in order to facilitate the business of life; and if all the world could act together as easily as a single community can, we might say of every form of money, 'A breath can make it, as a breath has made'" ("Economy of Capital").

Money is said to be the "root of all evil;" if so, it is because men do not understand what "money" really is. "The greatest sham of our age is the public depreciation of the god we all really worship." It is not that we cannot worship God and Mammon, but that we, in our ignorance, sacrifice the true God in our blind worship of the false god, by taking the shadow for the substance, and worshipping the symbol of wealth, by allowing £ s. d. to override every other consideration. Thus money is a cause of much evil under the existing state of things, because men, in their eager desire to get it, lose their self-respect, by deviating from truth and rectitude,—make life a perfect slavery, with its unbroken monotony of drudgery and cheerless gloom. Whereas, if we understand the world better, more especially know our profession or business, or can do our work, whatever it may be, well and thoroughly, there is no reason why we should not go through

our daily life and perform its duties as blithe and light-hearted as though it were a blessed gift to live—instead of as now, when with the majority life is simply endured, as if we were heirs to nothing but the manifold ills of life, the majority of us feeling—

> "Nor art nor nature's hand can ease my grief;
> Nothing but death—the sufferer's last relief;
> Then farewell youth, and all the joys that dwell
> With youth and life: and life itself farewell."
>
> DRYDEN.

What is money? "A simple invention it was," says Mr. Carlyle, "in the old world grazier, sick of lugging his slow ox about the country till he got it bartered for corn or oil, to take a piece of leather, and thereon scratch or stamp the mere figure of an ox, *pecus*, put it in his pocket, and call it *pecunia*, money. Yet hereby did barter grow sale; the leather money is now golden and paper, and all miracles have been out-miracled: for there are Rothschilds and English national debts; and whoso has sixpence is sovereign, to the length of sixpence, over all men; can command cooks to feed him, philosophers to teach him, kings to mount guard over him, to the length of sixpence." If money be "the sinews of war," it is that because, in a much more real sense, it is the sinews of trade. Money is metal coined for the purposes of commerce, and is usually stamped with the name and arms of the king or ruler of the state that directs it to pass current. In a more enlarged sense, money means any representation of property, whether as coin or in the form of paper; the circulating medium now means any currency usually and lawfully employed in buying and selling as the equivalent of money, as bills of exchange, bank notes, cheques. Money was originally stamped coin, and afterwards anything that generally takes its place in buying and selling. Cash was originally coin kept in hand for immediate use; and hence cash payments are strictly payments in coin, though bank notes and cheques are ordinarily received in such cases because of the public faith that they can always be cashed at the bank. Money in political economy is any representative of wealth, whether metallic or paper, issued by Government and sustained by their credit. Commercially, bills of exchange are very powerful as monetary agents. Mr. Macleod tells us that "money is a representative of debt, a right or title to demand something from some one else," and that "the special and particular purpose of money is to represent the debts that arise from the unequal exchanges of men." Debts are deferred payments; whether money is given at once, or the goods are taken away upon a covenant to pay for them a month later, the nature of the exchange remains the same. No new element is introduced; the exchange is simply not completed at the time. But

the debt is not money. By means of bills the tradesman can sell his claims to his banker, who will lend him the money and receive from the purchaser the money when due. But it is a great error to call a debt money—that is, wealth. Debts are not wealth, but simply an acknowledgment by A that he has received property of the value thereof from B, and that he will pay the money at a specified time. In large transactions debts are settled by cheques and bills of exchange. A bill of exchange purports to be an acknowledgment by B that he owes A a certain sum of money for value received, the bill being payable to A or his order. By endorsing the same he transfers his right to receive from B a certain sum, at a time specified, to C, on condition that C gives him the money at once, less interest for the time to run. Bills of exchange are very useful as remittances between different countries, and for adjusting the commercial debts which may be mutually due and owing by other parties, besides those whose names may appear on the bills as drawers and acceptors. Bills are purchased by those who have to make remittances to places on which they are drawn of parties by whom they are drawn; and the trade of purchasing and selling bills forms an important branch of monetary business, conducted by persons who are termed exchange brokers. The value of the bills when offered for sale depends not only on the actual amount for which they are drawn, but also on the conditions of the market as regards the demand and supply. If there are plenty of bills offered in any particular city, the price falls, and when they are scarce it rises. The fluctuations in prices are made public twice a week in London by what is termed the "Course of Exchange," being a list of the chief cities on which bills are drawn, and it shows the rate of exchange, or the premium, or discount, on bills in the places specified. Bills of exchange are very useful, and relieve the mind immensely. A merchant with heavy payments would never be able to bear the strain were it not for the knowledge that he holds in reserve an amount of paper money that in case of need his bankers will pass to the credit of his account, at the rate of interest current at the time, according to his position. Good bills may always be discounted. The facilities for converting bills into cash have caused at all times a large amount of what are called "accommodation bills." In reality such bills are a fraud, and the drawer and acceptor of all such fictitious documents ought to be punished for obtaining money under false pretences. Their origin arose as follows: A trader unable to meet his liabilities, yet in good credit with his banker, gets a friend, customer, or employé to accept a bill or bills, and pays the same into his banker's with other good bills, upon the assumption that they are all *bonâ fide* trade bills, received by the merchant from his customers

for goods sold and delivered. As the bill or bills become due, the same operation is repeated to raise money to meet it; until invariably at last, during some commercial panic, the banker, being more cautious, refuses certain bills, and the bubble bursts. The ruin of the insolvent trader himself is accomplished, and he not unfrequently draws along with him others who unfortunately, or imprudently, or fraudulently, have been acting in collusion to pass off as genuine bills, for value received, those unsubstantial representatives of value. Legally, a bill of exchange, as well in its original formation as in its successive transfers, is an assignment of a debt, by which the right of the original creditor to sue for and obtain payment is transferred to the holder for the time being. It is this assignability, vesting in the holder a right of action against the original parties, which chiefly distinguishes a bill of exchange from every other form of legal contract. Another important privilege is, that though a simple contract debt, and as such requires *consideration* to give it legal efficacy, the consideration is presumed until the want of it be shown. It is available, therefore, in the hands of *bonâ fide* holders upon merely formal proof of title by the signature of the party to be charged; that is to say, it is unnecessary to prove value given unless it be first shown on the other side that the bill is in some stage or other tainted with an illegality; and the *bona fides* are assumed until it shall be made to appear that the holder was at the time of making it privy to that illegality.

Money is defined by Colonel Torrens as "the only power which can not only effect the purchase of a commodity, but close the transaction." A bill of exchange is "not money," although used as a medium of exchange, but it does not close a transaction; it is merely a written acknowledgment of indebtedness by A B to C D, enabling the latter to raise money if needed thereby.

The precious metals, gold and silver, have always been esteemed the most desirable kind of property to hold, and through all time have been held in great importance.

In the second chapter of Genesis we are told of "the land of Havilah, where there is gold, and the gold of that land is good;" and in the Book of Kings, that "silver was nothing accounted of in the days of Solomon, who made silver to be in Jerusalem as stones." As standards of value, a basis for all exchange, a solvent of all human transactions of a commercial character, the precious metals have always been of great service.

In "Money and Morals," Mr. Lalor says that "money is gold, notes, and bank credit;" but this is not a correct definition of money, which in reality is gold and silver, and the notes and bank credits are only useful, and only *money*, in the sense that by their aid the

necessary gold and silver can be obtained. Notes or cheques are, as a medium of exchange, of course equally useful as money itself, as being a substitute for, or representative of, so much money; they have the power to obtain the particular kind of wealth one has need of. Money is wealth, but must not be confounded with the *real* wealth it commands; it is only one of the powers necessary to obtain real wealth, "all useful, or necessary, created things." But the power of real money is unmistakable in times of panic, or when one of those hurricanes to which we are periodically exposed sweeps over the face of society, uprooting establishments of the oldest growth, and hurrying the fairest creations of human industry in ruin before it. Who are then the strong men to stand unbowed beneath the storm? Not the man for whom thousands are working, still less the manufacturer with his costly machines, or the merchant with his warehouse full of goods, and his organized corps of labourers, whom it seems equal ruin to retain or to discharge. Whilst the possessors of real wealth are paralysed and trembling, the men whose dominion for the time is supreme are those possessing a good stock of short dated bills of exchange, easy of discount anywhere, or whose balance at their bankers is such that they can deliver the proudest merchant from the jaws of ruin by a leaf from their cheque book. These are the men who, according to the great thought of De Quincey, "have but to touch a spring in London to produce a vibration throughout the world, to quicken or arrest the march of armies, to frustrate the ambition of kings and statesmen, and to perform the noble exploits of modern civilization—those great ocean canals and railways which bind together the families of men."

Money is different to barter, inasmuch as in an act of barter each of the two parties makes both a sale and a purchase. Each in parting with what he brings acquires a power of purchase which, however, is at the same instant extinguished by his receiving an equivalent. The introduction of money as a currency of "medial commodity" divides the act of barter into two parts. Henceforth the seller exchanges his goods for a purchase power, which he can reserve and exercise at his own time and with a different party. The essence of a medium of exchange consists in its giving this power. A metallic currency was an immense step in civilization; gold was obtained in exchange for domestic products. Each portion was a substitute for a portion of useful articles sent away. The currency of the country was obtained by the community, as a whole, having paid for it a full equivalent out of the produce of its labour, and they thereby acquired an instrument of singular power in quickening industry and developing not only material but moral resources. By a law of the

human mind we come in time to prize any habitual instrument of gratification beyond the gratification itself. Wise rulers and teachers would impress on the people under them the necessity and value of thrift, as by easily and multiplied associations, money, gold, becomes attractive and is very stimulating to common minds, more so than the things which it commands, and thus is instrumental in infusing a new energy into industry. The essential characteristic of money appears to be that of acting as an universal equivalent, in giving a power of purchasing anywhere to its possessor, whatever he desires, as far as its value goes, and the exercise of which power effects a payment as well as a purchase. Paper money is useful as a medium of exchange for home purposes, and less costly than gold, paper supplying the same good offices to gold that credit does for capital; as, being in good credit, your banker helps you by loan, or discounting bills, with the capital necessary for carrying on trading operations.

The distinction between gold and paper money is this: The man who sells his goods for gold is paid: "the gold is payment." It is real barter in one sense, as one commodity is given in exchange for another. The gold, if desired, can be melted, and sold in ingots for purposes of art, for those who use gold in different kinds of manufactures; and this shows that (less cost of coinage) it is full payment. People take it because it is a commodity worth the goods given for it; hence it is that gold is so valuable as a medium of exchange. Men soon found out that it was impossible for them to exchange the relative products of their labour conveniently without some medium representing value. It is extraordinary from the earliest period of the world, and indeed down to the present day, how very curious are some of the substitutes for what we now call money, which have been in use, at one time or the other, in different parts of the world. It may be taken as an axiom that the convenience of the medium of currency indicates the civilization of the community. There are many parts of Asia where the cowrie shell is still the habitual currency. Of course these little shells are of infinitesimally small value in themselves; but, such as they are, they are sufficient to procure for their owners a meal of those cheap productions in which those countries abound. In some parts of Africa a measure of salt is the measure of value, and in those countries salt consequently becomes the currency; and even so late as the last century, when Adam Smith wrote, it was not unusual with our neighbours on the other side of the Tweed to pay the baker's bill or the ale-house score in iron nails.

Those who argue in favour of paper money assume that trade is bad for want of gold, that low prices are unremunerative, and that unremunerative prices kill trade. They are right and wrong.

There is no denying that the general power of consumption is sufficiently strong to put aside the idea of over-production so far as regards the satisfying the wants of the masses; and that supposing that every one had more gold, there would be more purchases made; therefore it is a want of gold that indirectly causes diminution of demand. But by this want of gold, please remember I mean solely the want of power of the would-be purchaser to *offer in barter for the gold produce of equal value.* In fact, briefly, it is *under-production*, not over-production, that causes depression of trade.

Over-production is nothing but *under-consumption.* It is not that more things are produced than could be used, but either that more of certain articles are produced than there is a demand for, or that the people's power of purchase, the want of money to buy the articles produced, forces them to consume less than usual, or than they have been doing. Therefore it is under-production that causes the want of power to purchase. The remedy is to "produce more;" create more produce, and get in exchange for it "money." Over-production is an absurdity; that is to say, an over-production of articles really needed. If every household had the purchasing power, could all the factories supply for a time a sufficiency of bedding, clothing, furniture, &c., that could be bought?

There is abundance of gold, abundant facilities to get money in 1883; but the power to obtain the gold is wanting. We do not want to be flooded with paper money, giving people the power to obtain the goods that are in existence; we want the people to see that they must work harder, and produce more or consume less. Trade is bad because the people have not the gold to buy commodities they could use. But they must be taught it is the want of gold as a thing of intrinsic value, the want of gold as a commodity, the want of the right to barter by being in a position to give gold, or notes based on gold, or any commodity of equal value that gives you for your goods a something that will get you an equivalent anywhere. And the want of money, so much complained of, is caused by the want of goods to give in exchange for it. The only remedy is to "produce," and to get the power to purchase something that you want and another man has. It is useless to say, "These are mere prejudices in favour of gold and silver." I deny the right to affix the stigma of prejudice against the innate morality of the nation that decrees its money shall be *real* and *not* pretence. Paper may, by the signature of a good name, or by the stamp of the State, or in the shape of a note from a local bank of repute, or the Bank of the nation, acquire a *local* value, and seem as precious to the unthinking mind as the gold it or they represent; but it must not be forgotten that this value

is *only local*, and that the assumed value the paper passes for is upon the supposition that the *real money* is available at a certain date on the one hand, or on demand upon the other. Paper money may be as *useful* and be more *economical* for all purposes of internal commerce; and I admit that it is; but it is not money. The very best paper money extant is but a *promise to pay* money; therefore it is not available for foreign commerce. And a depression of trade arises not for want of, but because of the fictitious money that has been used to develop trade beyond its legitimate compass; and the low prices are the result of producing a certain class of goods in excess of the demand for it, or the money available at the time for that particular commodity. It must not be forgotten that in the greatest crisis or panic that ever existed, there is, always has been, as *much gold* as was really needed. The panic arises from so many people asking for gold *they really do not want*, and locking up *temporarily by their insane action* the money that is needed to meet demands and engagements made before the panic was contemplated; hence there is apparently a scarcity, but always money enough for those who have a right to it. The exceptionally high rate of interest for a brief period would affect no solvent firm; the panic does good service in making bankers and money-lenders cautious, and stops rotten houses, or houses trading on fictitious paper, accommodation bills, &c.; and the losses on forced sales are incurred by those who have been speculating beyond their position, by those who rely on smooth sailing, and who, in order to keep their vessel afloat, have to get rid of superfluous stock for what it will fetch, but whose losses may be traced to, and should be attributed to, their want of judgment, and commercial and financial incapacity. The advocates of "paper" are right; all these panics arise from want of money; but it is from want of money that never ought to have been wanted. It is not wanted by the trade or business or financial establishments judiciously worked, but by those reckless schemers, financial and commercial, who have been distributing so freely "paper" broadcast, and with no *real value* behind. Yet we are asked to increase this fictitious instrument, as a means of preventing catastrophes brought about by it; like the Irishman, who, being told to take two pills, argued to himself that as by taking two pills he would be so much better, therefore if he took four he would be so much better still. There is no doubt that during the last fifty years the producing capacity of the world has increased immensely; but it is wrong to infer that because we quadruple the powers of production we necessarily require a *metallic currency* four times greater. This is a mistake; "paper money is the money of civilization;"

our exchanges are effected without the use of gold; gold and silver are only wanted for change; 97 per cent. of the settlements are made by *cheques;* by a system of book-keeping, exchange of goods for goods, value for value, is made by cheque from A to B, and the sum simply credited to B and debited to A; no money passes. We want no fictitious paper money, but greater care that it be more jealously excluded for the future by our bankers. It is not the "convertibility" of our paper money that is at the bottom of panics; it is an ignorance of money that is the cause. A better system of currency would lessen the effects of panics; but panics and depressions are caused by departures from the genuine system, by an unnatural inflation, caused by the temporary substitution of paper, in the shape of bills, by a class of reckless, speculative traders, shippers, "foreign merchants" as they call themselves, who have been too freely helped by bankers, men of straw, who, if the venture does not pay, are not prepared to redeem the promises when due.

Money is a subject of the highest importance, for the practice of sound trade is deeply involved in a right conception of its chief instrument—money; yet, probably, there is no subject so entangled, although we all handle it, talk about it, use it, in our every-day life.

What, then, is money? Obviously, incontestably, it is an instrument, and nothing else, acquired solely for the sake of the work it does; a mere machine; the tool of exchange, the instrument by which its possessor obtains some commodity or service which he requires. At an early period the social life of men encountered a great difficulty; human beings, unlike almost all animals, were found to make different commodities for each other; how were they to be exchanged? How could the men who mutually wanted each other's goods be brought together for exchanging? A farmer was in want of a coat, but the tailor had no desire for a sheep; he was in want of shoes. Here were two sellers and two buyers, yet neither could procure what he needed until money came to the rescue. The farmer sold his sheep to a butcher for money; with that money he got his coat from a tailor. The tailor bought his shoes with the money he got for his coat. Two articles were sold and two bought with money; and by this employment of a common tool for exchanging, the greatest principle of associated human life was established—division of employment.

Aristotle was the first who pointed out that money was itself a commodity, selected to be bartered for all others. As a commodity, its value includes cost of production. The miners will not produce gold and silver to make coins with unless the cost of the mining is made good to them. Cost of production does not always mean

the price of an article. No matter what a piece of goods or coin may have cost the producer, the price it realizes will depend upon the one universal law that all commodities alike are subject to—the law of supply and demand. This variableness causes at times great harm either to producer or consumer. Suddenly, from some unforeseen losses, the power of purchasing becomes less; but the supply cannot be stopped so suddenly as the power of purchase, so it goes on, for a time, at the same rate; prices fall, and a loss to the producer, more or less serious, is incurred. But the law is sound. Take the average; we shall find the loss at one time made good by the extra gain of another. As the opposite effects are generated when prosperity reigns, there is a deficiency of supply to meet the demand, and prices rise. But nature relies on man's intelligence, and his motive—self-interest; as, assuming that articles are not asked for so as to pay their cost of production, the article will be produced in diminished quantities, or cease to be made altogether.

Money is power, but only to the wise; to the foolish and imprudent it is a temptation and illusion. To hoard it like a miser is as mischievous as to throw it away like a spendthrift. "Obviously, the whole value of the dime is in knowing what to do with it. One man buys with it a land-title of an Indian, and makes his posterity princes, or buys corn enough to feed the world, or pen, ink, paper, or a painter's brush, by which he can communicate himself to the human race as if he were fire, and the other buys plums and gooseberries. Money is of no value; it cannot spend itself. All depends on the skill of the spender" (EMERSON).

> "They call thee rich, I call thee poor,
> Since, if thou darest not *use* thy store,
> But savest it only for thine heirs,
> The treasure is not thine, but theirs." COWPER.

"Wouldst thou multiply thy riches?" asks Quarles; "diminish them wisely: seeds that are scattered increase, but hoardeth up, they perish." "Be not penny wise: riches have wings, and sometimes fly away of themselves; sometimes they must be set flying to bring in more. . . . Money is like manure, of little use except it be spread" (BACON). "As you hazard a minnow to hook in a trout, so one guinea thrown out with address is often the best bait for a hundred" (*Money:* LORD LYTTON). "The use of money was all the advantage there was in having money" (FRANKLIN).

> "Abundance is a blessing to the wise:
> The use of riches in discretion lies.
> Learn this, ye men of wealth! A heavy purse
> In a fool's pocket is a heavy curse."

What is money? The reply of most will be, That something which raises us above those small schemes and struggling in which the mass of the people have to pass their existence; that something which enables us to feel secure of our position, which enables us to be uppermost, to feel ourselves on the highest round of the social ladder, and therefore worshipped by all of us, because we hate the idea of being inferior to anybody. Men will cease to put their trust in money, and be more disposed to put their money in trust, when they understand better what "money" is: merely a means, an instrument, a something by which you may indicate to others what your character is. It is a potent power in the hands of the wise. It is not plenty of the "circulating medium" that enriches a people, but the use they make of it. It is our duty, as it is for our interest, to study and understand "what is money," so as to derive from it all the benefit that can be obtained by its use. Not to think of it in the sense that Hesiod wrote, that "money is life to us wretched mortals;" but to recognize, with Carlyle, that it is "the pineal flame of the body social." Money is the great wheel of circulation and distribution—the great instrument of commerce—the medium through which the debts, the wages, the incomes of the different members of the community are distributed to them, exchanges are effected by them, and the measure by which they estimate their possessions.

"He who knows, like St. Paul, both how to spare and how to abound, has a great knowledge; for if we take account of all the virtues with which money is mixed up—honesty, justice, generosity, charity, frugality, forethought, self-sacrifice—and of their correlative vices, it is a knowledge which goes near to cover the length and breadth of humanity; and a right measure and manner in getting, saving, spending, giving, taking, lending, borrowing, and bequeathing, would almost argue a perfect man. . . . It behoves him who is getting money, even more than him who has it by inheritance, to bear in mind what are the uses of money, and what are the proportions and properties to be observed in saving, giving, and spending; for rectitude in the management of money consists in the symmetry of these three" (Sir Henry Taylor).

"Can gold calm passion, or make reason thine?
Can we dig peace or wisdom from the mine?
Wisdom to gold prefer, for 't is much less
To make our fortune than our happiness.
Nay, more than this, I can most truly state,
The happy only are the truly great."

CURRENCY.

"The awful shadow of some unseen power
Floats, though unseen, amongst us."

SHELLEY.

CURRENCY—a region of mystery, that may be justly described as chaos. The word has been a bugbear at all times; introduce it, you are voted a bore; men fly from the subject, as though to obtain clear, definite, and intelligible knowledge thereof was a task exceeding the powers of the human intellect. I have written this book, believing that not only is man easily able to understand what money, bank notes, bills, &c., are, but *that he ought to know* all about such important subjects. Currency is only an invention of man's, a contrivance devised for, and capable of being altered to suit, the wants of, and render an indispensable service to the practical life of, every civilized people. It is an insult to the Creator to imagine that man's reason cannot comprehend the action of an instrument, a machine invented by man himself, to perform a specific purpose; that he cannot understand the operations of a tool constructed at the dawn of civilization, and which has gradually been varied and its powers added to, according to the need of man's progress. Whether they will trouble themselves to study and master the subject or not remains to be seen; but this is certain, that it is of vital importance to the prosperity and happiness of every nation to solve correctly this currency question, as a bad or inadequate currency inflicts the most severe calamities on a nation; periods of loss and ruin, public and private, are inevitable, from an ill adapted, badly constructed currency. It seems incredible that men should be satisfied with using so important a tool as money, a tool that is in every man's hand, and yet never give a thought to the question—What money is, what it does; is it a good tool, can we have a better; or does our present currency do for us all money can do or we require it to do for us? I have no doubt in my own mind that money might be made infinitely more useful to every living being if they properly understood what it is; and also as positively assert that it is a subject that can be easily and naturally explained, and be understandable by every one, if men only choose that it shall be.

The currency of the world includes many kinds of money. Gold, silver, copper, iron, in coins, or by weight; stamped leather, stamped paper, wooden tallies; shells of various kinds; pieces of silk, or strips of cotton cloth, of a fixed size and quality,—are, or have been, all in use among mankind as forms of currency, as convenient and negotiable forms or representatives of property. Many of these kinds of money are simultaneously in use in the same country. Gold, silver, copper, and stamped paper coexist as different forms of money in the currency of Europe and America; gold, silver, paper, copper, and shells, in India; silver, copper, and pieces of silk, in China; copper, copper strips, shells, and the silver dollar, in various parts of Africa. Sparta had a currency of iron; Carthage, of stamped leather, like our paper money. There is ample variety in the substances out of which money is made—metals, shells, cloth, leather, and paper. Moreover, every country shapes these substances, or such of them as it uses for currency, in a different form from the others. In an act of barter, each of the two parties makes both a sale and a purchase; each, in parting with what he had, at the same time received an equivalent. The introduction of a currency, or "medial commodity," *divides* the act of barter into two parts. Thenceforth the seller exchanges his goods, not for goods at the time, but for a something that gives him the power to purchase, which he can exercise as best suits his convenience. The essence of a "medial commodity" is, that it gives this power. "In history, there is no example, I believe, of the transition from a state of barter to the use of a currency. Every existing currency has flowed down to us out of that cloud which envelops the origin of nations. A currency being, in the happy phrase of Mr. Bailey, a medial commodity, it is natural to suppose that that commodity which was best known, which it cost nearly equal sacrifices to obtain, and which was itself often the subject of exchange, would become a familiar standard of comparison for settling exchanges, and then a generally acceptable substitute, where a seller wished to reserve the power of purchase accruing to him from the sale, for a future occasion. Thus cattle were used in the Homeric ages, salt still in Abyssinia, tea in Tartary" ("Money and Morals").

Currency implies the state or quality of being current; a continual passing from person to person; a general acceptance; that which is in circulation, or that which is given and taken as having value, or as representing property; as the currency of a country, a specie currency. Currency is that which is in circulation. Every day a large amount of bills, which the Bank of England has discounted, are falling due, and are being paid to it in notes; or the notes of the

Bank are presented for payment in gold. The Bank of England never re-issues any of its notes; but, when its stock of gold remains unaltered, it places an amount of new notes in its banking department, equal to that of the old ones which it has received in payment for its lapsed bills or gold. The notes thus kept in the banking department are "inactive"—they are not in circulation. They are currency, but for the time being are not part of the currency; they are not in use, but only ready to be put in use. In the same country there is often a limitation to the circulation of some kinds of money. The sovereign, though a legal tender, and readily accepted in Scotland, does not circulate there, the Scotch preferring paper money, as, in their opinion, the more safe and convenient form of currency, and also as the cheapest. Scotch bank notes do not circulate in the other parts of the kingdom. In England, the notes of the provincial banks may circulate readily in the district where the issuing bank is situate, but are looked upon with suspicion elsewhere, for no other reason than that the public are not familiar with them, and view with suspicion any money they are not accustomed to, and, therefore, have not the necessary confidence in. Hence we find banking and paper money only used in the currencies of the most highly civilized kingdoms. Paper money plays the most important part of all currency in carrying on the work of exchange; without it, the present commerce of the world would be impossible. It enables us to do without metallic money; it should always be used freely, but with prudence, and on good security, when the needs of commerce require it. A bit of paper, that we have faith in, like a Bank of England note, because it is "issued against value," is as good as gold; it has the quality which gives to all other substances its power in money—the agreement on the part of the people to recognize it, and accept it as a "representative of wealth," for which they are willing to give their "real wealth" in exchange. Nations want a currency that will enable them to carry on the work of exchange. The stock of gold is not equal to do this; but by thought and faith, men have arranged to do without gold. Why? Because all the various forms of currency are dependent for their value upon public opinion, or conventional agreement; this value is "a something" imparted to them by the consent of the people among whom they circulate. Currency of every kind, everywhere, is essentially dependent upon man's faith in man, upon which credit is based. Having faith, we give trust; we accept the shadow for the substance; we take the representative as contentedly as if the "five-pound note" were five golden sovereigns. The currency, like "Cæsar's wife, should be above suspicion." Money is a reservoir of great power; it is con-

densed wealth, available at any moment, for any purpose. "If there were no currency, no conventional means of storing up accumulated gains in an instantaneously negotiable form, how long would be the time, and how cumbrous the preparation, requisite to perform an expedition, to get up a railway company, or to accomplish any great object!"

A currency is a spontaneous growth of commerce, and one of the earliest developments of exchange. In early records we find commodities frequently valued in sheep, in oxen, or in horses; but as transactions became numerous, great inconveniences were found in these early media. When a medium of exchange is of uncertain value, exchange will be hindered, and will be subject to the double disadvantage of being unduly favourable to the one party, or unduly adverse to the other, and the even course of industry, the only true source of prosperity, will be disturbed equally by successes which have not been merited, and by disasters which could not be anticipated. Hence the value of a metal like gold, the quantity of which is limited, can only be increased slowly, the supply of which has kept pace with the demand for it; this equilibrium between the supply and the demand of an article used as currency is of the greatest importance, as there is nothing more injurious than a currency based on a metal liable to fluctuations in value. It is owing to the greater scarcity of it that gold is so much better adapted for a legal tender than silver.

Money superseded barter, because by barter it was not always possible to dispense with that which was useless, and by barter we had to buy at the time of selling. Money fixed a price to merchandise, and could, possessing a real value, purchase, at any time and anywhere, corresponding value in other commodities to those given for it. The official stamp, the substance being of intrinsic value, is an outward sign of this intrinsic value—hence its utility; and it is only by giving this guarantee that the Government earns the right to enforce by law the acceptance of the coinage for the sum it represents; a right which can only be lawfully maintained when the Government has acted with perfect fairness. No Government has a right to adulterate the public money, justifying their conduct by the sophism that the value of the coin is derived from their own sacred impress affixed to it, or to restrict the operation of the Currency Act. After the suspension of cash payments, 1797, until Peel's Act of 1844, the directors of the Bank of England could issue what notes they liked; and the same power was given by the Government when they suspended the Act in 1847, 1857, 1866. The principles of the Currency Act are sound or unsound; if sound, the Act must not be tampered with; if unsound, let it be altered. No Government has the right to assign

temporarily or otherwise an arbitrary or conventional value to money. Nothing is more dangerous to a nation than to begin to tamper with money. It is a course in which, after the first step is taken, it becomes impossible to stop. You may argue that the deterioration of the coinage or suspending the Bank Act is adopted as a last resource, and that in such times of pressure, any means are lawful to avert the catastrophe. An action may be lawful, yet neither be wise nor right, and all such actions are in my opinion alike wrong and unnecessary. The proper action is to find the cause of the mischief, and remove it; and not extend and strengthen the belief in the theory of the money-sign doctrine, that a legislative decision is sufficient to attach to metallic specie, or bank notes, an arbitrary and fictitious value; and so carry forward the dangerous doctrine that the State has a right to seek relief from financial pressure by that robbery, or forced loan, implied in every depreciation of the coinage. The right of the State to fix arbitrarily the value of money is to affirm the right of a Government to adulterate at pleasure. That the stamp alone of a Government is to give the value to coinage is equivalent to stating that the value of money is arbitrary, and depends on the will of the Sovereign who issues it: a most dangerous doctrine, intended to guarantee the integrity of the coinage, but calculated to encourage and foster the temptations to abuse it. It is a false principle, similar to that of a man deeply in debt being enabled by permission of the law to pay his liabilities nominally in full, but actually only a composition upon the amount he owes. It is easy to understand why men prize gold, or its representative; it gives a power of purchasing anywhere, everywhere, whatever we desire.

Barter was the fundamental basis of commercial transactions; bullion was an accessory, very costly, most convenient, indispensable in fact, among wealthy and civilized nations, where the consumers had so many wants; but, owing to the division of labour, each worker produced so little that was of use to himself, that simple barter soon became too cumbrous a process, and utterly impracticable for wholesale transactions, shopping or retail business; so counters or "currency" coin, notes, bills, cheques, were introduced as needed by society to facilitate the exchange of commodities in buying and selling, superseding barter, and gold became the basis of value, and was enthroned as a special, and has become to be regarded almost as a sacred metal, by nearly half the civilized world. As a basis of value, there is no better medium than gold; its utility consists in its representing value in little bulk, and it readily admits of the gains of life being reckoned and possessed in less cumbrous form than houses and land, herds of cattle, or ships and merchandise. So gold has become established as

the metallic currency, as the form we recognize to represent all other forms of wealth; and although as a metal for any purposes of utility almost worthless of itself, it derives its great value from the other kinds of property of which it has become the acknowledged representative. As a metal, its intrinsic value rests upon the difficulty in getting it; the cost of conveying men to the distant gold countries, the cost of their living in a region where everything is very dear owing to the distance from which it must be brought, and to the extra profit men require before they will go so far and suffer so much. Society pays dearly for its money counters, a heavy price; each ounce of gold represents so much labour withdrawn from agriculture and other industrial pursuits, which minister directly to the necessities and comforts of mankind.

We find by experience we cannot do without money; that it is essential to have it, as buying and selling cannot be done without it; that men generally take it in exchange for their labour, or their goods, or their houses; that in exchange for it we can supply ourselves with all the comforts of life, the luxuries of modern times. Yet to prove it is only of value when recognized as such, we find that in China, India, Japan, Asia generally, the people repudiate the peculiar value we attach to the yellow metal, gold, and they exalt the shining white metal, silver, into a similar conventional importance; whereas here, although we all take silver as we do gold, and accept it as being,—whether sixpence, shilling, florin,—of proportionable value to gold, yet legally silver is not money here; that is, it is not a legal tender, and may be refused, save to the extent of forty shillings, in payment of a debt or in exchange for gold. Above forty shillings, the law regards silver simply as bullion; it is no more money—that is, a legal tender, a medium of exchange for debt or goods—than is brass or tin.

We laugh if a semi-civilized people propose to pay us for our goods in sea-shells, or some other form of non-metallic currency; we fail to see that the value of money, or the counter used as such, is the exchangeable power people give to it. These barbarians are equally averse to receive our gold and silver coins, which we have been taught to regard as the perfection of money; but the value is only in their power as and when they are recognized as a medium of exchange. These barbarous tribes prefer selling us their produce for beads and trinkets that we consider as of no value. You will therefore perceive that although we regard gold as all in all, fully one-half of the civilized world do not, silver taking the highest place with them, whilst barbarous tribes refuse to accept as money either our gold or silver coins.

A few years ago, when the trade with Japan was opened, our

merchants were surprised to find that the Japanese appraised gold very differently from us; so that a sovereign was only considered by them as equal to about one-fourth of the quantity of silver which it represents with us. Half-a-dozen kinds of silver coin are current at Shanghai in China, five kinds of the dollar and the Indian rupee; but until 1855 the old Spanish Carolus dollar was the only legal tender; the Carolus dollar was the one best known to the Chinese merchants, and the one in which they had most confidence; and to show what prejudice does, although the intrinsic value of the five dollars was the same, the old Carolus dollar was considered to be worth 7s., whereas the others were barely worth 5s. This is an extreme case, but all people view with suspicion the money of other people. The English sovereign is taken on the Continent, but does not circulate there, any more than napoleons will circulate in England; being strange to the people, they are suspicious of them, and (as foreign coins are never a legal tender in any country) refuse to receive them as money.

Another fact not generally known here is, that silver, which we do not recognize as a legal tender beyond the sum of 40s., is the most widely recognized, and therefore holds the first place in the currency of the world. It is the standard money of China and of India, and is recognized as money all over Europe and America. It used to be the standard money of Europe, the English pound and the French livre originally consisting of a certain amount of silver; and at this day it still constitutes the greater portion of the currency of the Continent, and in many of the outlying and half-barbarous parts of the world silver will be accepted where gold coins would be refused. Gold, however, is steadily rising in monetary importance, owing to its greater portability, and there is every probability that gold will ultimately be supreme in the metallic currency of the civilized world. We have implicit confidence in it, and all of us feel when we get a sovereign, whether for our labour, or the sale of our goods, or in payment of a debt, that it is worth the 20s. we give in exchange for it.

It would be very unwise to undermine this confidence in the power of gold coin, that it can only be had by giving for it full value in other goods. But this important consideration is too much overlooked, that to sell property, and receive for it money, gold coins, or notes with a right to receive gold coin, is no increase of riches, but merely an exchange of two articles of wealth of equal value, a precious metal for some other article. You have the coin, I have the property; if we can agree to sell the one for the other, well and good; but do not forget we are but making an exchange, and there is no increase

in the nation's or world's riches by exchanging, but only in producing. An increase in the crop of tea increases the wealth of China, and increases ours, as we can buy more tea for the same money; but cheaper gold coin does not increase the national wealth, it only increases the nominal value of goods; that is, more gold has to be used in the exchange of goods; but there is no increase in real wealth, in the quantity of goods produced. We think we are richer, but we are not, as the *larger* quantity of gold only exchanges for the *lesser* quantity of goods, only does, in fact, the work of the smaller quantity of gold used in effecting the exchange heretofore. The common opinion is the other way, that as the object of all trade is to obtain money, the object of our foreign trade should be to export less than we import, and unless we receive gold to make the difference, there is no benefit therefrom; as if gold was more to be rejoiced over than raw material to manufacture the articles we require, but do not possess. People see that all strive after gold, are all eager to part with what they have for gold, not for ornament, not to keep; it is got to be parted with, and is striven after because it performs a service to its owner more readily than any other instrument he can obtain; it is the most useful tool that was ever made, and performs thoroughly for man the work for which it was made. It should not be left idle. If we do not want to use it, it will bring us interest by lending it to those who do; it is too costly a tool, too invaluable a machine, too productive an instrument, to lie idle in our pockets; it does its work not by staying in its owner's hands, but by leaving them. No other conception of coin is rational or intelligible. It may be wise with money, as with other tools, to provide a stock of it beforehand, lest it may not be procurable when it is wanted for use; but the fact remains, that money is of no utility whatever except when employed as a tool; that is, except when it exercises its proper function by being got rid of in exchange for other property.

Gold and silver were used as media of exchange at a period long anterior to that when they appeared in the form of coin; our earliest record of primitive civilization, the Bible, informs us that gold and silver were used in lieu of direct barter as early as the time of Shem, and we learn that Abraham returned from Egypt "very rich in cattle, silver, and gold." But although a metallic medium of exchange, passing by *weight*, was adopted at a very early period, the use of actual coins, passing by *tale*—that is to say, by counting, the weight and purity of each piece guaranteed by the Government of a state by means of a public seal or stamp of a sacred character—was a later invention. How came coin to be introduced? From necessity. The need of a medium of exchange is one of the most urgent wants

which beset humanity. The immense advantages of money were soon universally felt; and its value was so self-evident, that its origin came to be invested with a mystic character, and was by succeeding ages shrouded in fable; Saturn, Mercury, and other divinities, having successively received the credit of this important invention. To appreciate its value, you have only to imagine for one moment society without its aid; buyers wanting to obtain certain goods, and the difficulty of obtaining sellers who would be willing to accept those which they have to offer in exchange. The tailor might starve before he found a baker who was in want of a coat. The separation of employment, the division of labour, is essential to social existence. No man can supply all his own wants; we all depend upon others for most of the articles we use and require. At the present time it needs one's undivided attention to excel in the making of special things; and the providing and distributing of the multitudinous things which human life requires employs an immense army of trained buyers and sellers. This giving to others what you have in order to obtain from them what you require was an impossibility—a difficulty which must have been fatal to civilization. *Money*, a *medium of exchange*, was thought of; it was rude and simple at first, but the key was given, the social problem was solved; and subsequently the idea has been enlarged, and it is our duty to trace its origin, to know what money has been, what it is, if it is what it should be, and whether we can help to improve the vast benefits it confers upon mankind.

Barter or exchange between buyer and seller is, of course, the more simple operation, but it is not practicable; simple enough if you could always find some one willing to take what you have, and able to offer what you require in exchange thereof; but this not being possible, the difficulty is at once conquered by money. Barter your property for money, then take the money and get for it what you like and when you like. This is the action, as it is the essence, of "currency;" it enables you to sell for "money," of such intrinsic value that it will obtain for you anywhere what you want, and when you want it. Your property might lie idle, will cost you money to warehouse it, will deteriorate in value; whereas the gold in exchange thereof, properly used or invested, will continue to grow and multiply. To its utility money owes its success. No law can compel, nor does our law command, traders to sell or give their goods in exchange for money; the law imposes on us the obligation of taking as a legal tender money for our debts, and sets the example by taking it for taxes; but, as Aristotle said, men "agreed" to take money in exchanging, and it is a matter of voluntary agreement to this day. With us there seems no difficulty in the matter; but until the seller knew that all other

sellers would consent to do exactly the same thing—viz., give him their goods as readily for his money as he had given his goods for it—there must have been considerable difficulty, as no seller would be disposed to part with his property in exchange for coin unless he felt sure the money furnished him with the power to procure by its means property to the value of that which he had given for it. Money, to be valuable as a medium of exchange, must give this guarantee; a seller must feel secure that he will get by a second purchase all that he gave away in the first. There must be value for value; and with a metallic currency, with a note issue convertible into gold, with bills of exchange, cheques, all credits based upon the gold coin, traders part with their property without hesitation; all feeling a complete assurance that they get in exchange, in money, a commodity worth that which they are selling for it. So every one takes gold; it is felt to be an equal exchange of property for property. The value of the gold in the market enables it as the medium of exchange to command goods of equal value everywhere.

The word "money" is derived from Juno Moneta, whose temple was the mint in which Roman coin was made, the stamped pieces of metal which constituted the "currency" of Rome. Thus the word "money" implies minting; that is, the shaping and stamping those bits of metal which are employed in buying and selling. But money is also a commodity; its value does not consist in its being stamped as coin by the Mint. The Mint coins an ounce of gold into £3 17s. 10½d. Here is the definition of a pound, and a pound is the meaning and worth of a sovereign. If a copper coin could be obtained from the miners only at the same cost as a gold one, they both would be equally valuable; but it cannot, and so the goldsmith will give a vast deal more for the gold coin than the coppersmith will for the copper one; and that is the very reason why every seller will give many more goods for the one than he will for the other. It is the intrinsic value of the metal, its cost as a commodity, which renders it so useful and valuable in doing its work as a coin, as the medium of exchange. The Mint only makes known, on the word of the Government, that the coined sovereign is made of standard gold, and when it leaves the Mint possesses in full the prescribed weight; in the words of Aristotle, "impressing a stamp on the money to relieve men of the trouble of measuring it."

GOLD MONEY.

"Gold! gold! Nothing but gold!
Bright and yellow, and hard and cold!"

"GOLD is the only metal which has a yellow colour, a characteristic by which it is at once distinguished from all other simple metallic bodies. It is the most malleable of the metals; when pure, it is soft and flexible, but its tenacity is sufficiently great to sustain, in a wire one-tenth of an inch in diameter, 500 lbs. weight without breaking. Its specific gravity varies from 19·2 to 19·4. In hardness, it is above lead and tin, but inferior to iron, copper, platinum, and silver. Its lustre does not equal that of steel, platinum, or silver, but it surpasses the other metals in this respect. It may be exposed for any length of time to the atmosphere without suffering the least change. It is also equally unalterable in the common fire; but on being exposed to the sun's rays concentrated by powerful mirrors, or to the heat of the oxy-hydrogen blow-pipe, it melts, and even rises in vapour. Gold is not oxidized or dissolved by any of the pure acids. It is acted upon by chlorine and by aqua regia, being converted into the trichloride, in which state it goes into solution. Gold is precipitated from its solution by a great number of substances. . . . Gold is rarely employed in a state of perfect purity, but is almost universally alloyed with copper or with silver, in order to increase its hardness. The alloy of gold and silver is found already formed in nature, and is that most generally known. . . . A variety of means are employed to judge of the quality of alloys, supposed to consist in part or principally of gold, without resorting to a regular analysis. The most common of these consists in the use of the *touchstone* (a species of quartz, also called Lydian stone and basanite). A mark is made upon the stone with the alloy, upon which a drop of nitric acid is placed by means of a feather; if the metallic streak disappear, the alloy is destitute of gold; if visible only in little points at distant intervals, it indicates a small proportion of this metal; whereas, if the continuity and density of the mark remains unbroken, it evinces that the piece on trial is pure gold. . . . It requires, however, much practice to determine, with any considerable degree of precision, the amount of gold present in alloys by means of this test. The use of touch-needles greatly assists the

assayer in this operation. These are needles, or small rods made of gold, of various degrees of fineness up to pure gold. One set is made with a silver and another with a copper alloy. The assayer rubs the gold to be tested on the touchstone, and compares the mark made by it with those made by the gold he is testing, and he then infers that that gold has the same kind and quantity of alloy as the needle used. He is guided in his conclusions, not merely by the resemblance in the appearance of the two marks, but by several other circumstances, such as the smoothness or hardness, dryness or greasiness, of the stroke, &c. . . . In the coining of gold, where it is necessary to be assured of the purity of the metal, if the gold to be made use of appears to contain copper (which is inferred from its reddish tinge), it is made to undergo cupellation with a given quantity of pure lead, by which means the copper quits its union with the gold, and unites with the lead, leaving the former by itself; and in this way the proportion of gold in the alloy is ascertained. If silver is presumed to be the alloying metal, the operation of assaying may be performed by melting the alloy with three times its weight of silver, rolling the compound into thin sheets, forming these into coils, and plunging them into nitric acid slightly diluted: the silver is promptly dissolved, while the gold remains unaffected.

"Gold has been found, in smaller or larger quantities, in nearly all parts of the world, although it is only in comparatively few places that it has been found in sufficient abundance to make the search for it profitable. Native gold exists in veins in primitive mountains, but not in the greatest quantity in those which are esteemed to be of the oldest formation. It is more often found in the sand of rivers in plains and valleys, into which it has been carried from its original repositories, in the shape of larger or smaller, generally flat, pebbles, mingled with quartz. In ancient times, gold was obtained from the valleys of the Cevennes, from Galicia, Asturias, and other parts of Spain, from Portugal, the mountains of Thessaly, the Hebrus in Thrace, the mountains of Pannonia, the island of Thasos, the slopes of Mount Tmolus in Lydia, in Phrygia, in Colchis, at the sources of the Oxus, and at those of the Ganges. In modern times, large supplies of gold were obtained, after the discovery of America, from Peru, Bolivia, and other parts of the New World. In the present century, till the discovery of gold in California, the chief source of supply was the Ural Mountains in Russia. Here gold had long been worked in the mines of Beresov; but the production was not great until the discovery, in 1824, of extensive fields of auriferous drift increased the production more than fortyfold. An immense increase was caused in the production of gold by its dis-

covery in California in 1848; and people had scarcely recovered from their astonishment at this discovery, when the equally rich, or even richer, gold fields of Australia were discovered in 1851. In 1858, gold was discovered in one or two parts of the southern island of New Zealand; but it was not till the discovery of the immense gold fields of Otago, in 1861, that the supply from that source became important. Since then, gold fields have been discovered in the northern island also, which, within the last few years, have proved extraordinarily productive. The gold fields in British Columbia, also, have lately been developed to such an extent as to give promise of rivalling those of California, which have been declining in value. At Nerchinsk, in Siberia, where gold has long been known to exist, the production has, within the last few years, been multiplied many times by a discovery similar to that made in the Ural Mountains, in 1824. Among the other places where gold has lately been found in sufficient quantity to hold out the hope of being profitably searched for, are New Caledonia, the Colony of Natal, the Transvaal Republic, and other parts of South Africa. Gold has also been found in many parts of the United Kingdom, but the only part where it can be worked is Cardigan, in Wales. In 1869, it was worked in Sutherlandshire, in Scotland. The total value of the gold produced throughout the world from 1848 to 1872 is estimated in round numbers at £500,000,000, of which about one-half was applied to coinage purposes" ("Popular Encyclopædia").

The discovery of gold caused the transfer of large masses of population from their old seats to new ones,—the vast and sudden spread of civilized mankind over the earth making cities to rise amidst the solitude, and seas, whose virgin waters had hardly been stirred by a single prow, to grow white with the sails of golden argosies. Gold-beds are in regions the most secluded, the most isolated from the seats of civilization. California seemed the last region in the world that would be peopled by civilized men. Not a road to it was to be found on the map of the traveller; not a route to it was laid down in the chart of the mariner. The deserts and woods and mountain-range by land, the rocks and shoals and currents by sea, were known to not one in a million of earth's inhabitants. In this secluded region, extending some five hundred miles along the shores of the Pacific, and sloping from the margin of the sea to the summit of the snowy range, a few stragglers were the only signs of human life that appeared amid a primeval solitude. In 1837, when the French frigate *Venus* put into the port of Monterey, then the chief town of California, they found the place composed of forty or fifty whitewashed habitations—veritable huts, roofed only with rushes and boughs of trees. The frigate was in want of biscuits,

and the country had to be laid under contribution. They went even to distant farms in search of flour; and, after all, could only procure an imperfect revictualment. "All at once gold was discovered; gold in abundance, gold everywhere. In the beds of the rivers, in the sands of the hill-torrents, in the seams of the rocks, the precious ore appeared—nay, the very soil seemed impregnated with the glittering dust; and forthwith settlers came hurtling thither like clouds of locusts. Every wind of heaven seemed to blow them to the golden land. The love of gold soon peopled the solitude; the sparkle of the precious ore drew myriads from afar. Within eighteen months a hundred thousand men arrived from the other side of America; nine thousand waggons, bearing five times that number of persons, came through the passes of the Rocky Mountains; and four thousand emigrants came on horseback by the same route. Crowds poured in eager haste across the Isthmus of Panama, converting the neck of the New World, for the first time, into a highway between the two great oceans of the globe. Others made a sea voyage of 17,000 miles round Cape Horn, entrusting themselves for the stormy passage to leaky and shattered barks, resembling that in which Columbus made his last voyage from America to Spain. From the ships they beheld a land without forts, without cities, almost without inhabitants. But gold was in the mountains that rose in the distance; and, heedless of hunger and thirst, heat and cold, raiment and lodging, they plunged eagerly into solitudes where the wolf and the buffalo, the squirrel and the bear, had lived undisturbed since the Deluge.

"What an assemblage was thus gathered together! Men from all quarters of the globe—of every kindred and tongue, of every hue and dress and feature. . . . Even the Chinaman came forth, like an anchorite from his cell, to join in the mass of golden speculators. Such a concourse of human tribes the world never before witnessed. Through the once solitary channel of the Golden Gate, clusters of sails began to enter the land-locked bay, on whose shores was rising the future capital of the region; and, like the magic seed of the Indian juggler, which grows, blossoms, and bears fruit while the spectators are looking on, San Francisco seemed to accomplish in a day the growth of half a century. Australia was, if possible, a still more isolated quarter of the globe, and, if no new attraction had come into play, it would have remained for generations a slow-moving, cityless country of pastoral settlers. But the attraction of gold rapidly changed the scene, and has opened a brilliant future for that vast island-continent, of whose glories we only see the beginning. Already the European race is making a new world for itself at the Antipodes.

"In the spring of 1854 there was discovered in Australia one of the

richest 'placers,' or gold-beds, even of that most auriferous country. The spot was a deep ravine, formed by the Buckland River, enclosed by steep mountain-sides, which excluded every breath of wind. It was autumn in Australia, though spring here. The air in the ravine was stagnant, and the scorching sun made it intensely hot during the day, while at night the temperature fell to a piercing cold; so that the sojourners in the ravine were alternately in an oven and an ice-house. Moreover, as the gold-beds lay in the channel of the river, the miners worked up to their waists in water. To this gold field of surprising richness hundreds of adventurers flocked in feverish haste; but disease, like the fabled dragons and griffins of old, kept horrid sentry over the buried treasures. A peculiar fever, of the typhoid character, was the natural denizen of the spot; besides which, the gold seekers suffered severely from eye-blight, owing to the concentrated blaze of the sunshine reflected from the steep sides of the ravine, and they were at all times grievously tormented by clouds of flies. Bad diet and want of vegetables aggravated the diseases natural to the place and to the kind of work. It was a valley of death. 'Constitutions that had borne the hardships of other fields broke down here,' wrote an eye-witness of the scene; 'and hundreds have perished, dying unattended and unknown. The little levels between the stream and the base of the mountain wall for ten miles along the valley are so thickly studded with graves that the river appears to run through a churchyard. One new comer, wiser than the rest, having counted eleven corpses carried past his tent during the dinner-hour of his first working day, and thinking that even gold may be purchased too dearly, left the place instantly. Many abandoned it after a somewhat longer trial. But the greater number, fascinated by the unusual richness of the gold-bed, remained in defiance of disease, and 'took their chance,' with what result the numerous graves of the valley testify to this day.

"It was a scene 'to point a moral or adorn a tale.' Had some wandering spirit from another planet looked down upon the valley of death, or upon the many other striking incidents of the gold-fever of the last fifteen years; if he had seen men in myriads rushing across oceans and continents to the gold fields of California and Australia, waste places in the uttermost parts of the earth; if he had beheld them toiling in the gulches of the mountains, amidst all manner of hardship and disease, beset with extremes of weather, exhausting work, exorbitant prices, and lawless society,—he must have said to himself, 'Surely mankind has some mighty end in view, when so many myriads come here to toil and suffer with such feverish energy and extraordinary endurance.' Yet the yellow

substance which these crowds so eagerly seek after, what could it do for them? They could not eat it, or drink it; it was neither food, medicine, nor clothing; it was simply a metal of unusual weight and ductility, and exhibiting a yellow lustre. And were this wandering spirit to show a piece of the yellow metal to one of the natives of the country, and ask its use, the savage would tell him that it served to make rings for wearing in the nose and ears, or on other parts of the body, by way of ornament, but otherwise of no account; it could neither head an axe for him, nor point a spear. In fine, were this planetary sage, following the track of the gold ships, to proceed to Europe, and the abodes of civilization, to see what is made of the metal which men seek for with so much eagerness, he would find that the getting of it is so expensive that (unlike iron and lead) it is of no use in the necessary commodities of life, and only figures as a costly means of ornament and decoration. He would find it, in fact, so far as the arts of life are concerned, closely allied in character to gems and precious stones, the exorbitant prices given for which show how much barbarism still lurks under the cloak of civilization.

"But this inquiring spirit would also see another side to the question. Were he to go into our banks, our market-places, our counting-houses, he would speedily comprehend the object for which we mortals seek gold and prize it so much. If he were to visit the great emporium in Threadneedle Street, with its busy throng of customers ceaselessly depositing or withdrawing the yellow metal, and thereafter were to watch for half an hour the gay crowds who go-a-shopping in Regent Street, he would see that this metal is the recognized symbol of property with which we can convert our wealth, whether it be of land, houses, or merchandise, storing it up in little space, and which we can reconvert into any kind of property at pleasure. He would see that by common consent nearly one-half of the entire civilized population of the earth take this view of the matter, and have made the yellow metal indispensable to them, by decreeing it to be the substance out of which shall be made the counters with which men buy and sell, and reckon up the gains of material existence." (From "Economy of Capital," by R. H. Patterson.)

Gold is not simply an expression of value. It does not mean that the gold sovereign merely represents 20s., but that it represents a certain definite quantity of gold. The value of gold is £3 17s. 10½d. an ounce, and the sovereign is of the intrinsic value of £1 because it contains about a quarter of an ounce of gold. Gold differs from silver coinage, the latter being only nine-tenths of the weight it represents in money value; that is, the silver coin exceeds by one-ninth its value as a precious metal. So again cop-

per coins pass current for more than three times what they are worth intrinsically. Silver and copper coins, therefore, are "tokens" of value, but are not actually worth the sum they respectively represent; and for that reason it is not legal to tender more than 40s. in silver or 1s. in copper coin in payment of a debt. Gold, on the other hand, has an intrinsic value independent of its nominal value, and the advantage of this is that although all men make use of tokens at home, we could not make use of tokens in our dealings with foreign nations; so, having large payments to make to foreigners, the only medium we can use for that purpose is gold. In 1847, what with our bad crop of grain and the failure of the potato crop in Ireland, the Government, to avert a famine, entered into large engagements for the importation of grain of all kinds, and from all parts of the world. Wherever there was grain to be got, it was bought up by the Government, as well as by the merchants who imported it in the ordinary course of their trade. To carry out these large operations needed in gold £20,000,000 more than the ordinary amount, and this gold had to be taken from the coffers of the Bank of England, and was sent to America, Russia, and Prussia, in payment for the extraordinary purchases of corn. Such was the intensity of the emergency, it roused our commercial activity, and although the Baltic was closed, gold was sent by trusty messengers to Russia, Poland, and elsewhere, to buy up wheat and barley, in order to save the people of England and Ireland from starvation. It is obvious that if we had not had that reserve of gold in the Bank of England, if we had not had in hand something that would be acceptable to all the rest of the world, we should have been wholly without resources to meet such an emergency; and we thus see the advantage of gold in commercial operations with other countries; in fact, it ought to be used solely as the medium of exchange with foreign countries. As it is acceptable all over the world, it is an universal medium of exchange; thus gold is very useful, nay, essential for foreign trade, and should always be here ready to meet the balance against us in dealing with foreign countries. When we import more than we export, we send out gold to pay the difference; when the demand for our manufactures is active, or we have a good harvest and do not need to buy so much corn from abroad, then the foreign countries have to pay us the balance in gold; and London being the chief monetary centre, gold comes in from all parts of the world.

Gold is a metal which has been known from the remotest antiquity, and has been universally employed as a medium of exchange. Everybody will take gold at its intrinsic value, and wherever you may be, or whatever you may need to buy, the purchase can be made

anywhere with gold. Its power is so great, we can scarcely wonder that the desire, the thirst for it, becomes as absorbing as the thirst for alcohol by the drunkard, or that it has led to such crimes in all ages to obtain it. Gold's hunger gives to the face a strange fascination; in the eagerness for it, pain and weariness are forgotten. The craving desire for gold has a wonderful influence upon the face and action of the body. Watch the keen look of a trader, or any man debased to the sordid level, and see how near his face is to the cunning look of the monkey, and how the desire for gain has degraded the image of his manhood. Better poverty than wealth, if it can only be obtained by such a selling of the soul, such a forfeiture of our dignity as men, such a levelling of our higher nature to that of savages and animals, such a sacrifice of all the higher pleasures of our nature to the one insatible desire of gain.

Wealth is more often a curse than a blessing. I have known men happy and contented whilst poor, seen them bravely struggle through adversity and difficulty, and seen them miserable with wealth, begrudging parting with the money they have got to love too well, seen their brains turn and their minds lose their balance with the thought of its leaving them, and committing suicide to escape from imaginary evils, the effect of their disordered minds, through yielding to the one absorbing idea of increasing yearly their stock of gold, to leave behind them to their children, and too often ruin *their* nature. Wealth is a hindrance rather than a help to young men in this life's work; it takes away the motive, the stimulus, to exertion, the desire to succeed, which in the majority of cases means the desire to make money.

To remedy this, the education of our youth of both sexes must embrace the fullest knowledge of the laws of life and the duties of home. They want broader views and issues brought before their mental horizon. At the earliest period, the child must be taught to regard the body as the shrine of the soul, to be kept as a sacred trust for their Creator, unsullied and inviolate. This would naturally follow if he were taught the minutest details of that wondrous machine, the human body, with its delicate tissues, its processes, its powers. Let the young be taught this first idea of their Maker from that wonderful creation, the human body and soul—a creation so beautifully adapted by its Creator to give pleasures if well treated, and so much pain if neglected or dishonoured. Having taught him the meaning of the life that is in him, follow it up with giving an object in life in the future that is before him; tell him of the faculties and powers that are entrusted to him; give his life a significance, an aim; and by this means, and this only, will money cease to be an "end," and

become, what it should be to all of us, a "means" only to the higher ends in view.

When we think upon its great power, we must be ready to make allowance for those who foolishly regard money as an end in itself, and not as a means; and hence their life is spent in honour of the deity "Mammon." Their song and praise are ever ready to do homage to the great idol they worship so indefatigably from early morning to dewy eve. Aye, not on the Sabbath-day only, but every day, "their God is Mammon;" their entire being is absorbed in thinking how to obtain gold. Be men! rise above the savage worship of the mere coin; do not continue to worship the image, but the living power it possesses when rightly used, wisely used as a medium of exchange. Do not hoard it, but give life to your gold, rub the canker off it, by sending it from hand to hand. "He best worships the God who made the heavens and the earth, and the sea, and the mines of iron and gold, by helping Him in His work with His own, and striving to learn to do His will with the use of them." Everything has a mission; aye, especially

"Gold! gold! gold! gold!
Good or bad a thousandfold!
How widely its agencies vary,
To save, to ruin, to curse, to bless!"

HOOD.

Alas! too true, the general practice is to give the credit to the money, and not to the man, nor as to how he has made it. Gold and gold, and nothing but gold, is thought of. So the vices and virtues are written in a language the world cannot construe, but it reads them in a vile translation, and the translators are failure and success. Oh, for the days when the world will only make of heroes to worship and imitate, the truly great—those who are so, not with what fortune can give the base, but with deeds and ends of which, for the great, fortune is but the instrument! And so in time our youth may be trained to perceive that the true ambition of a man is his desire for the wisdom to be able to wield properly the power wealth, when earned or inherited, puts into his hands.

Money, like everything else, may be used or abused; it may put leaden weights on his feet, and drag a man down to perdition, or wings to his shoulders which shall carry him beyond the skies. Unless used wisely, and as a means of doing good, it is an encumbrance, and does harm.

"Gold begets in brethren hate,
Gold in families debate;
Gold doth friendships separate;
Gold does civil wars create."

SILVER MONEY.

"SILVER is one of the best-known metals. It appears to have been known about as early as gold, and, without doubt, for the same reason, because it occurs very frequently in a state of purity in the earth, and requires but an ordinary heat for its fusion. Pure silver is of a fine white colour, without either taste or smell, and, in brilliancy, is inferior to none of the metallic bodies, if we except polished steel. It is softer than copper, but harder than gold. When melted, its specific gravity is 10·47; when hammered, 10·510. It is next in malleability to gold, having been beaten out into leaves only $\frac{1}{100.000}$th part of an inch in thickness. Its ductility is no less remarkable. It may be drawn out into a wire much finer than a human hair —so fine, indeed, that a single grain of silver may be extended about 400 feet in length. Its tenacity is such that a wire of silver 0·078 of an inch in diameter is capable of supporting a weight of 187·18 lbs. (avoirdupois) without breaking. The conductivity of silver for electricity and heat is greater than that of any other metal. Silver melts when heated completely red-hot; and while in the melted state, its brilliancy is greatly augmented. . . . Silver is not oxidized by exposure to the air; it gradually, indeed, loses its lustre, and becomes tarnished; but this is owing to a different cause. Neither is it altered by being kept under water. But if it be kept for some time melted in an open vessel, it gradually attracts oxygen from the atmosphere; on cooling, this absorbed oxygen is disengaged with effervescence and spirting of the metal. . . . When exposed to the direct rays of the sun, it gives out oxygen gas, and is converted into a black powder, probably consisting of a mixture of sub-oxide and metallic silver; when heated to 250°, it is resolved into silver and oxygen. . . . Silver does not burn in chlorine gas, even when heated; but it gradually absorbs the gas, and is converted into the well-known compound formerly called *horn-silver*, or *chloride of silver*. This chloride, however, is more easily obtained by dissolving silver in nitric acid, and mixing the solution with a solution of common salt. A copious curdy precipitate falls. When this precipitate is washed and dried, it constitutes pure chloride of silver. Its specific gravity is 5·550. It is completely insoluble in water, but is easily dissolved by ammonia.

When exposed to the air, it changes from white to a purple or blackish colour; hence its great use in photography. . . . It is well known that when silver is long exposed to the air, especially in frequented places, as churches, theatres, &c., it acquires a covering of a violet colour, which deprives it of its lustre and malleability; this coating is sulphide of silver.

"Native silver has been distinguished into *common* and *auriferous* native silver; the former consists of silver alloyed with a small proportion of antimony, arsenic, iron, &c.; the latter frequently contains 50 per cent. of gold. Native silver occurs principally in veins, traversing gneiss, clay-slate, and other primitive and transition rocks. There are but few countries in which it is found in any considerable quantity. Among these are the mining districts of Saxony and Bohemia, also Norway and Siberia, but particularly Mexico and Peru. . . . The methods employed in obtaining the silver from its various ores are two in number—*smelting* and *amalgamation*. The former is founded on the great affinity of silver for lead, which, when fused with silver, acts as a solvent, and extracts it from its union with baser metals. The silver is afterwards separated from the lead by the well-known power of cupellation, which consists in exposing the alloy to a stream of atmospheric air, by which the lead is converted into an oxide (litharge), while the silver remains untouched. . . . With respect to the other method of reduction or separation—amalgamation—the first operation consists in the selection of the ores to form a proper mixture with reference to the quantity of silver and sulphur they contain. It has been observed that the amalgamation process succeeds best when the silver produced is about 75 ounces to the ton of ore; at the same time, regard must be had to the quantity of sulphur present, which is ascertained from the quantity of sulphide in the ore, previously learned by an assay in the crucible. The sulphur is got rid of by adding to the mixture of raw ore 10 per cent. of common salt, by which, during the furnace operations, the sulphur is oxidized, and the acid thus formed, uniting with the base of the salt, forms sulphate of soda; whilst the hydrochloric acid thus set free combines with the silver in the ore that was not in the metallic state, and forms chloride of silver. In this state, the ore is subjected to various mechanical operations with riddles, mills, and sieves, until it is reduced to an impalpable powder. It is then submitted to the action of mercury. This operation is performed in barrels, which are arranged so as to revolve on their axles. The mixture, or charge, in each barrel consists of sifted calcined ore, mercury, metallic iron, and water, in certain proportions. The ore is composed of sulphate of soda, chloride of silver, and other metals and earthy matters. The

barrels being made to revolve during a period of sixteen or eighteen hours, the chloride of silver becomes decomposed by the action of the iron, with the production of chloride of iron and metallic silver; the latter combines with the mercury, forming what is termed an *amalgam*, whilst the sulphate of soda, the chloride of iron, and other salts are dissolved in the water. The silver, combined with mercury, is then filtered, by which the surplus metal is separated, and a compound remains, consisting of six parts of mercury and one of silver. This amalgam is subjected to the action of heat in a distilling furnace, by which the mercury is sublimed, and the silver remains. Silver is also sometimes separated from copper by the process of *eliquation*. . . . Large quantities of silver are now obtained from argentiferous lead ores by Pattinson's process.

"The silver mines of North and South America are incomparably more important than those of all the rest of the world; and at present, the produce of North American mines is far greater than that of the South American mines. The mines of Mexico were worked before the Spanish conquest, and then produced large quantities of silver. . . . In Guanaxuato is the largest known vein of silver in Mexico, traversing the country for upwards of eight miles, and attaining in some places a width of 150 feet. The total value of the silver produced by the Mexican mines, from 1521 up to the present time, has been estimated at between £600,000,000 and £700,000,000. Of late years, the annual production has been valued at about £4,000,000. Great deposits of silver have recently been discovered in the Western States of America, particularly in Nevada; the total produce being estimated, in 1874, at over £6,500,000. The annual production of Chili is estimated at £1,000,000; of Peru, at £800,000. Considerable quantities of silver are also produced in Europe. The average production of Germany is estimated at about £600,000, the districts in which the silver is obtained being chiefly Saxony and the Harz. In Britain, silver is obtained from argentiferous lead ore, the value of the produce in 1873 being over £131,000" ("Popular Encyclopædia").

During the three centuries and a half subsequent to the discovery of the New World, the addition to the stock of silver was four times greater than the addition made to the stock of gold; nevertheless, silver, during that period, diminished in relative value only one-fifth. In 1500, the value of gold in relation to silver was as $12\frac{1}{2}$ to 1; in 1848, it stood at 15 to 1; in 1882, it is about $18\frac{1}{2}$ to 1.

The price of silver had been undergoing a slow decline for some years, but in 1876 this suddenly culminated in a fall of prices within a few months from $56\frac{1}{8}$d. to $48\frac{1}{4}$d. an ounce; the whole fall in four years representing a depreciation of more than 20 per cent. in the value of

the metal, measured in gold. The effect of this fall in silver will be best understood if you imagine gold, the basis of our currency, to be suddenly reduced in value *one-fifth*. The fall in silver has this effect upon India, as silver is to that country what gold is to ours—the basis of its currency. Here we sell and reckon by the gold sovereign, there they sell and reckon by the silver rupee. So that in 1876, when silver fell to about 48d. an ounce, the value of the rupee expressed in gold, instead of being 2s., was reduced to less than 1s. 7d. Think of your sovereign being reduced in value to 15s. 10d.! In August, 1879, the price was 51$\frac{1}{2}$d. to 51$\frac{7}{8}$d.; week ending March 12th, 1881, it was 52$\frac{1}{4}$d.; November 15th, 1882, it was 4s. 2d. per ounce.

One of the principal causes of the depreciation in the value of silver is the large additional supply of silver yielded by the Nevada Mines in recent years. In 1875 the aggregate production of silver throughout the world is estimated to have been about £15,000,000, more than half this amount, £8,000,000, being obtained from American mines. Twenty years previously, namely, between 1852 and 1862, the average annual production was only from £8,000,000 to £9,000,000, and at that time no appreciable quantity came from the United States. Simultaneously with this large increase in the supply of silver many circumstances occurred which greatly diminished the demand for silver. Silver was demonetised in Germany; and Germany consequently not only ceased to require the large amount of silver which she had previously used for coinage, but a great portion of the silver in circulation was withdrawn and sold by the German Government. Another circumstance which has produced a very important effect in diminishing the demand for silver is the great increase in recent years in the Indian home charges. The value of the products exported from India has always been in excess of the value of those imported. Until quite lately the balance was liquidated by transmitting silver to India. In some years the silver thus sent amounted to more than £10,000,000. Such a transmission of silver constituted one of the chief sources of the demand for silver, and was indeed one of the most important factors in maintaining its value. Each addition, however, that is made to the home charges diminishes *pro tanto* this demand for silver. An English merchant, for instance, who has purchased £100,000 worth of Indian produce, instead of sending silver to India to pay for it, purchases bills from the Indian Government in England, drawn upon the Indian Government in Calcutta, and the amount of bills which the Government has to sell in England increases, of course, with each increase in the home charges; and a powerful effect is being exerted at the present time in depreciating the value of silver by the large amount of bills which have to be sold by the Indian

Government in England to provide for the home charges. The loans being chiefly raised in England, it is obvious that the interest on these loans represents so much more which has to be transmitted from India to England, or, in other words, so much added to the home charges. The largest portion of the money which has been borrowed in recent years by the Indian Government has been obtained by loans raised in England; and the additional amount which has to be provided to meet the interest on these loans represents, of course, so much added to the home charges. In 1856 the sum annually required to pay the interest on the Indian debt was £2,190,000, in 1870-1 it was £3,200,000, and in 1876-7 it was £4,350,000. From these figures it appears that in twenty years the indebtednesss of India increased by about 100 per cent.

The revenue of the two years 1879-80 and 1880-1 exceeded the public expenditure, with the exception of the expenditure on war and famine, by no less than £4,500,000 sterling a-year; although the revenues of India, so often stigmatized as inelastic, have grown during the last twelve years by no less than £9,000,000 sterling a-year, and present every appearance of a further healthy development. The public expenditure during the same period has increased by only £3,250,000, of which £2,750,000 is due to the disturbance of the relations between gold and silver. The credit of the Government of India has of late years steadily improved, so much so that the average rate of interest on the debt has been reduced from 4·6 in 1869-70 to 3·8 in 1880-1. In all ways the financial situation is now better; and Sir John Strachey, at the close of his detailed review of the financial situation in 1882, said: "There remains at the present time, after providing for famine and all other liabilities, excepting always any from the possible charge under loss by exchange, an available surplus of at least £2,000,000." The loss by exchange is still very great, and arises from the obligation under which India is placed, to remit year by year about £18,000,000 sterling in payment of what are called the home charges. The process of remittance is managed in this way: the Secretary of State for India draws bills on the Treasuries at Calcutta and Bombay, and these are bought by the exchange banks, and sent out to India to pay the shippers of an equivalent amount of produce. The depreciation in the value of silver has necessitated a much larger quantity of rupees to pay this £18,000,000 sterling which India has to pay for English rule. In 1874-5 the loss by exchange to the Indian Government was only £500,000, in 1876-7 the loss was £1,676,482, in 1878-9 the loss was nearly £3,500,000.

In 1873, the action of Germany began to have a marked effect in

unsettling the value of the metal which forms the standard of all India's mercantile transactions. The trade statistics of this period may be thus summarized :—

Year ending March 31st.	Imports.	Exports.	Excess of Exports.
1873	£36,430,000	£56,550,000	£20,120,000
1874	39,610,000	56,910,000	17,300,000
1875	44,360,100	57,980,000	13,620,000
1876	44,190,000	60,290,000	16,100,000
1877	48,880,000	65,040,000	16,160,000
1878	58,820,000	67,430,000	8,610,000
1879	44,860,000	64,920,000	20,060,000
1880	52,830,000	69,250,000	16,420,000
1881	62,080,000	75,980,000	13,900,000

These figures are the best reply to bi-metallists. For a time the change in the value of silver was a very serious loss to the Europeans in the service of the State at "fixed" salaries, to all persons in the receipt of so many rupees per year; but the principle was sound, that silver should no longer be current beyond its value; and the steady growth of both the import and the export trade during the eight years of a very low rate of exchange for the rupee bears the signs of distinct and constant commercial progress. In the exportation of wheat, in particular, great progress has been made. Bombay alone, during the calendar year 1881, exported 9,400,000 cwt. of wheat, and this is eight or nine times the quantity shipped from all India in any year before 1880, and twice as much as was shipped in that year. The great development of the export trade, especially of wheat, is attributed by many to the low rate of exchange. By selling the bills at 1s. 8d., importers can pay the Indian producer 30 rupees per candy for No. 1 white wheat; but if they sold the bills at 1s. 10d., they could not afford to pay him more than 27¼ rupees. The same holds good with cotton, linseed, and other articles which are exported from India. But for the low rate of exchange, we should never, in all probability, have had opened out to us the fair prospect of effective Indian competition with America for the supply of wheat to the English market. The general revenue suffers on the annual remittance to England, but is repaid twofold to the very men from whom that revenue is collected—that is to say, to the agricultural population on whom the land-tax is levied, and who are the principal consumers of salt.

But it follows, by a natural law, that a falling off of the purchasing power of the rupee is indicated by a simultaneous rise in the prices of commodities used in the internal trade of the country. There are those who argue that only the international value of the rupee has

been affected, and that its value, as measured by the quantity of the common food of the people which it will exchange for in India, remains as high as it was ten years ago. Nature's laws never err; prices would have been higher, but the upward tendency was checked, owing to the accomplishment of a revolution in the ways of internal common and social life in India, that by its action checkmated or counteracted the deteriorated value of the rupee. It was in the year 1873 that the through railways from Bombay to Calcutta and Madras were completed, and that the people of India entered into the enjoyment of the fruits of years of labour, designed to place at their command the gifts of Western civilization. Railways have awakened India out of a sleep that has lasted for ages. The country has been quickened with a new and more vigorous vitality; trade flows through a number of channels to far-off markets; the grain that used to rot on the ground for the want of purchasers can now be profitably sold. And this increased trade has required a much larger quantity of silver coin, which forms the currency of India, and they have reaped the benefit of the anxiety of European nations to sell it at any price they could get for it. From 1872-3 to 1880-1, the demand for an increase of the silver currency was so great that the coinage exceeded the imports by nearly £11,000,000, although the quantity imported amounted to £47,000,000. In the four years preceding 1872-3 a different state of things prevailed, as the imports exceeded the coinage by more than £8,000,000. It appears, therefore, that India has not only coined of late years all the silver she could get from abroad, but has also drawn largely upon the hoards of the metal accumulated in previous years. Where there is a loss, there must be a gain; and the gain which accrues to India from the depreciation of silver—since it is the fruit, not of a natural development of commerce, but of violent changes made in the currency of certain European states—means an equivalent loss to the nations which deal with India.

For some time after the fall in the price of silver took place there appeared to be no movement in general prices in India. Silver, in fact, had simply fallen in value in relation to gold. But prices were compelled to rise; and in the official returns for 1879 it is stated that on account of the rise in the price of food, the army expenditure in India is estimated to exceed the estimate given for 1878 by £330,000, and also that the revenue from opium during the current financial year is likely to exceed the estimate by no less a sum than £1,240,000. The Government sell opium in the open market, and therefore the revenue is increased, because the price of opium increases with the rise in general prices. For a time there is always loss to some, gain to others, when the currency of a country becomes

appreciated or depreciated; but it is only a question of time, as the prices of labour and commodities are sure to right themselves in relation to the value of money, money being the symbol of the value of commodities. If gold or silver be dearer, the same quantity of either will purchase more than heretofore; if cheaper, less. And so we find in India that now twelve rupees are needed to purchase the goods that ten rupees were sufficient for. The losers are those with fixed incomes, as, having only ten rupees per year, these salaries are virtually, by the deterioration in value of silver, and consequently the higher price of gold, reduced one-fifth. But the Government are the principal sufferers, as the land revenue, from which nearly one-half of the entire net revenue is obtained, cannot, from the manner in which the land revenue has been settled, be increased in amount for a considerable number of years; this land revenue is *a fixed sum to be paid in silver*. So we find the Government in this anomalous position of *receiving* its revenue in *silver*, whilst a very considerable part of its expenditure has to be *repaid* in *gold*. At least £17,000,000, or about 45 per cent. of the entire net revenue of India, is expended in England, in paying the interest on the Indian debt, in the purchase of stores, in salaries, pensions, &c.; and this large and increasing outlay, known as the home charges, has to be made in gold; and as a sovereign, which could formerly be purchased with four ounces of silver, can now only be purchased with five ounces, you will perceive that about 20 per cent., or one-fifth, more silver is now required to pay the home charges than would be needed if there were no depreciation in the value of silver. As before stated, *time* will remedy this, as the net land revenue is about equivalent in amount to the net home charges; and as the present engagements lapse, the rents must be raised in nominal value to make up for the depreciation in real value. But at present we have this fact to contend with, that the Indian Government has contracted various engagements to make payments in England in gold, for the interest of its public debt, and as the capital of its guaranteed railways, for the pensions of its retired civil and military servants, for its share of the home charges of the European troops serving in India, for the supply of military equipments, the purchase of stores, the cost of the establishment of the India Office, and so forth, to the amount of about £17,000,000 sterling a-year; and since the revenues of India are collected in silver, these engagements involve that its Government must purchase gold to this amount out of the income which it receives in silver. The nature of the operation is to a certain extent disguised by the mode in which it is effected, through the agency of private trade. The commodities exported from India are largely in excess of imports into

that country: a state of things, it may here be observed, which is partly the consequence of these home charges; and the exporting merchants, instead of shipping silver bullion to India to pay for the excess, purchase the bills which the Indian Council sell for gold in the London market, and which are payable in silver at the Treasuries in India. The amount of these bills sold in the year 1879 was £17,000,000 sterling; and the effect of the arrangement, so far as the revenues of India are concerned, is precisely the same as if the Government of that country were actually to remit the silver to England and exchange it for its equivalent amount of gold. It follows that the charge on the revenues of India in respect of these payments will fluctuate with the price of silver as expressed in gold. So long as silver was worth about 61d. per ounce—its average price for many years—the rupee was worth almost exactly one-tenth of a pound, and to purchase £17,000,000 sterling required the remittance of 170,000,000 rupees; but when silver fell to about 48d. per ounce, instead of 170,000,000 rupees being sufficient, 216,000,000 would be required; the difference, 46,000,000 rupees, representing an extra charge on the Indian revenues of more than £3,500,000 sterling, because the Government of India receives its revenue in silver, and has to make very large payments annually in gold. According to the form adopted in the accounts, the rupee is taken at 2s., but, as its value in India is 1s. 7d., a very much larger number of rupees is wanted to meet the payments in England. This is called the "loss of exchange," caused generally by transmitting money from one country to another, but, in this case, principally through the Government receiving its *revenues in one metal* and *making its payments in another*, as in taking the rupee at 1s. 7d. instead of 2s. here, we only do so because of the depreciated value of silver in relation to gold. As a proof that it is simply a loss for want of arrangement, we have the fact of a "gain of exchange" in the past, because the Government of India, in its transactions with the guaranteed railway companies, has fixed the remittance at 1s. 10d. per rupee under the contracts. The price has fluctuated, but has again declined, and varies from 1s. 7d. to 1s. 8d. per rupee. This matter involves a loss of great magnitude, besides the confusion and loss to merchants, not only from the absolute fall, but in the uncertainty which these fluctuations in price throw over all the operations of trade; and although it has been going on for four years, nothing has been done to remedy it.

There is a cause for the evil, a removable cause; why not remove it? The cause is the English Government's interference with the natural operations of trade, by coming into the market, and selling its bills on India for enormous amounts by auction to the highest

bidder. This is the principal cause why the Indian exchanges have become so much depressed. Instead of the Secretary of State selling such large amounts of Council bills at fixed times, *whether wanted or not*, let the same be always obtainable at a certain price, at some Government office. Let the Secretary of State act like any other exchange banker, and sell from day to day, meeting demand as it arises. There could not be a more stupid plan than the present—forcing the sale of a valuable article at times when not wanted, or the market is overstocked, to the highest bidder, simply because he has decided to sell so much in one year, at so much per week. Trade will take these drafts at a fair price if Government will wait till they are wanted, instead of the present reckless manner, by which these bills are dealt with, the victim of speculators, and the buffet of the exchange banks. The obligation cannot be wiped out; the £17,000,000 of tribute from India to England must be paid. But as the Indian Government is subject to a heavy loss, and trade is interfered with, because it receives in one metal and has contracted to pay in another, the mode of payment should be altered, and the easiest plan is either to contract to pay in the metal it receives, or to receive its revenues in the metal it has to pay its liabilities with.

It is absurd to continue to contract engagements to pay debts in one metal, and be paid the money to pay these debts with in a metal that necessitates you buying twelve for every ten received; because, whether the rupee be depreciated in India or not, for every sovereign we have to pay in England there needs twelve rupees now instead of ten as formerly. This is the problem we have to solve. Whether the rupee will buy as much rice or sugar or tea in India now as formerly is not the question; prices will in time regulate themselves to the value of the money they are exchanged for. What has to be remedied is the anomaly of a Government contracting engagements in one metal, and undertaking to receive its rents and taxes in another; incurring thereby a responsibility which means an addition to the taxation of India of £3,500,000 sterling. To those who argue, It is only temporary, silver will right itself, I reply that such a state of things ought not to exist, unless it can be proved there is no remedy for the same.

BI-METALLISM.

Bi-metallists argue that it is a mistaken policy for a nation to have but one metal as "legal tender;" that silver cannot be eliminated from use as currency in Europe and America without enormously increasing the value of gold and depreciating the value of silver. There can be no doubt that the withdrawal of any portion of the active currency of a country must enhance the value of what remains in proportion to the amount withdrawn. The substitution of gold for silver in Germany raised the value of that metal all over the world, and, therefore, in England. But, although a drain of gold is a sad calamity to a commercial country like Great Britain, it is quite another matter whether the remedy suggested would not be worse than the disease. Bi-metallists say their object is the stability of value; and this, they say, will be attained by establishing the free coinage of silver and its use as money under the same conditions as gold, if we could have an international agreement, whereby a fixed relative value between gold and silver may be established, and the two metals may jointly form the currency of civilized nations; thus facilitating the adjustment of international balances, and lessening the excessive and needless risks which have now become attendant on home and foreign trade. "A consummation devoutly to be wished;" but will the means suggested accomplish it? We can arbitrarily select a certain value for silver—say, for instance, 15½ times the weight of a single ounce of gold—and declare the two metals, bearing such relation to each other as above stated, to be, to all intents and purposes, of precisely the same value; or we may make two currencies—one of silver, the other of gold—to divide the patronage of the country between them; both being made legal tender, and no attempt being made to establish any fixed relations between them—an attempt which, if made, must necessarily fail. If safety is to be found in numbers, if two metals are better than one, three must be better than two, and four better than three. But, in reality, the selection of any metal as money so artificially enhances its value, that it is wise to limit the evil as much as possible; and this is done by monometallism. "The object of money is not for the purpose of creating value, for value exists independently of any fiat or ordinance of man.

Bi-metallists argue as if money and wealth were identical; but if we consider the want which money was invented to supply, we shall see the distinction between money and wealth. Aristotle grasped the great truth that the original and principal use of money is not the hoarding of treasure, but the providing a means of exchange; and that the fact that money possesses generally a certain value of its own is not part of its nature. The original use of money was to determine prices; that it possesses in itself value of its own is a mere incident. All that is required in order to enable us to determine the value of an article is a common measure with which we may compare it; that measure must, of course, be limited in some way or other; and it is only as a means of effecting that limitation that value is introduced into the question" (SHERBROOKE).

Money is simply a medium of exchange, and it is not essential that it be of intrinsic value, so long as it represents value; but in practice it is found more expedient to have a money of intrinsic value, as thereby it answers better its original purpose of determining prices. Gold answers this purpose admirably, its quantity being limited; but any other article which can only be obtained in a limited quantity, with a certain ascertainable amount of labour, and which is divisible, will serve the purpose of money. Bullion is chosen because it complies with these two conditions, difficulty of acquisition and divisibility, better than any known substance. We err in turning the servant into being our master, and make that which is a mere medium for avoiding the inconveniences of barter into the most indispensable necessary of life; yet, if by some convulsion of nature the whole of our stock of gold and silver were destroyed, except their loss, the only result would be that we should have recourse to some other contrivance, provide some other means of fixing prices, have recourse to a paper currency, based on whatever might be found, after careful consideration, to be the most convenient or least inconvenient standard of value. This explanation will enable you to see the advantage of mono-metallism; it is the best means—in fact, the only means—by which we can attain the object for which money was originally devised—viz., the getting rid of the inconveniences of barter, and regulating prices, by a common standard of value. But if you introduce "two" standards of different values, and make them "both" legal tender, you at once destroy the very object for which money was introduced. With a currency of gold and silver, both legal tenders, the law decreeing that a certain portion of one shall always be equal to a certain portion of the other, there must be an uncertainty in prices; there are in operation "two" measures of value. In fact, why is bi-metallism asked for, but to put a "fictitious value"

upon silver, to give it a *legal* value it has not? If a second metal of equal value is to be introduced, what is gained, except confusion for confusion sake? The only advantage of a second metal is by reverting to the practices of the early ages before mentioned; that is, by mixing an inferior with a superior article, and getting them into circulation as of equal worth—a practice that no honest nation can adopt. Bi-metallism is only a means to an end; its object is to get people to treat as equal what nature has made unequal—to deprive mankind of the power of measuring values, which is accomplished for us as accurately as is possible by having gold as the one legal tender to measure values by.

But it is argued, "We have not money enough, and there is a scramble for gold by other nations that makes it necessary for us to do something." It is quite true that our stock of gold is diminishing. In the autumn of 1879, the Bank of England held £33,500,000; in the autumn of 1880, the amount was reduced to £27,500,000; in October, 1882, it was only £21,500,000. But is there any particular advantage to a nation in possessing more or less money—that is, gold or silver coin? The upholders of what used to be called "the mercantile system," believed the principal riches of a nation to consist in the amount of precious metal it possessed; so all their efforts were used to stimulate exportation and lessen importation, so as to force foreign countries to pay the difference in the precious metals. This doctrine was early contested in England. In the year 1682, Petty maintained that it was an advantage to export coin, when goods of a greater value were secured from foreign countries in exchange for it. North, in 1691, says "that a fortune in coin is no gain, as coin itself is unproductive; therefore, no state should feel uneasy about its provisions of gold or silver. A rich country will never lack either." Berkeley, in 1735, assumes that a greater error cannot exist than that of estimating the wealth of a state by the quantity of gold or silver in its possession. Quesney seems to be the first to have grasped the truth, "that every purchase is a sale, and every sale a purchase;" therefore it is impossible that exportation can ever permanently and absolutely exceed importation. Adam Smith completely overthrew the "mercantile doctrine," and moulded into definite shape the ideas which have remained current from his day until the present day. J. B. Say considers it more advantageous to export coin than any other merchandise, as it is the value of coin which constitutes its utility, and the value of what coin remains in a country increases in proportion to the amount exported. It must never be forgotten that the principal function of the currency of a country is to regulate prices, so that,

however much the volume of the currency may be diminished, the quality for which money was first invented, and which is its peculiar function, will remain unaltered. The wealth of the country is not altered whether you say it is worth £100,000,000 or £1,000,000,000; therefore £100,000,000 will do the work of exchange as well as £1,000,000,000. The "money" is only the "medium" to effect exchanges with; a double standard destroys the purpose for which money was invented. Gold, like everything else, is always to be had by those who will pay the most for it. The currency is a self-acting machine, which, like a balance, is always tending to an equilibrium. This is certain—gold will flow to those countries where it commands the highest price. But the price will vary; the fluctuation will make money dear. Yes; the history of gold has been a history of fluctuation, and will doubtless continue to be so. Why should it be an exception? All commodities vary in price every year; the fluctuations are attended with loss to some, and gain to others; and it is the business of the financier to see and provide against these inevitable vicissitudes. Mankind must study the law of supply and demand. Of all commodities, money is the most easily attracted and repelled. If gold is leaving you, if you have not enough of it to meet your wants, some other method must be thought of to get it, or do without it, than the inconvenience and unscientific method of a double standard.

Coin is indispensable as a means of exchange amongst civilized nations, being a medium most universally recognized as the common measurer of value; but it is useless having more of it than is necessary for this end. Gold and silver should be regarded as merchandise, valuable in such cases where other merchandise will not be taken in exchange for articles required of foreign countries, or in time of war. But it should be generally understood that the person who is paid in the precious metals is no better off than the one who is paid by commodities. You will see, therefore, the absurdity of the idea that a nation gains when what is called the "commercial balance" is in her favour; that is to say, when she has an excess of exportation, and foreign countries are obliged to pay her by a consignment of precious metals. We have simply received "a tool" to buy with, instead of goods that must be bought for the money to be of any service, as gold brings no advantage to the person or nation possessing it, except at the moment when he parts with it, to purchase an object he can consume, or in some way enjoy. Coin is a vehicle of interchange; it transfers possession and the right of property, like a cheque, or as a van transports bales. But if it is foolish to accumulate waggons solely for the satisfaction of feeling that we possess them, so

is it equally foolish to accumulate gold. The nation wants a certain quantity of cash to accomplish its exchange, as she wants a certain quantity of other commodities; but all in excess of that quantity of any commodity is useless; and gold especially, when inactive, is very costly in interest. With nations as with individuals, to make money, you must use as little capital or money as is possible for your daily, weekly, yearly turn-over. The secret of success in manufactures or trade may be traced to the skill in manipulation of "money;" it is the essence of true economy. It is a fact that the farther a country has advanced economically, the less requirement it has for the precious metals. With bad financiers, the cry is, in any difficulty, for "more capital;" so in the less civilized nations, they require a larger amount of gold and silver, in proportion to what they do, because they treasure it up against some imaginary need, and because they do not see the value of exchanging goods, but only sell for money. England does more business than France, with half the quantity of cash. It is a sign of ignorance, watching with anxious eyes the exportation and importation of gold, as if it were the *only wealth*. If we export iron or coal, there are rejoicings; but if we export gold, we find lamentation and fears expressed in nearly every financial paper. Yet gold is only merchandise, just as much and no more than the coal and iron. It may be taken as an axiom, "that the more a country imports gold, the poorer she will become." Gold locked up in the vaults of the Bank of England, is so much capital lying idle, unproductive money, wealth annihilated for the time; it is useless until it goes abroad to buy goods. In time it will be seen that it is only when "imports exceed the exports," the country is the gainer, richer, by the exchange. It is imports that enrich a country, not exports; and to buy gold which cannot be used is as pure an impoverishment for the time as if the goods that purchased it had been given away for nothing; at all events, by taking gold, we simply take "deferred payment," the power to buy at some subsequent period, instead of at once. The only value of the larger stock of gold is that it causes a fall in the rate of interest. Money will find employment somewhere, and when capital can be obtained at 2 or 3 per cent., a great many undertakings may be launched and prosper that could not be started, or succeed, if the rate of interest were 4 or 5 per cent. This creation of fresh business enterprises occasions a greater demand for everything; in works and factories, in railways, in raw material, in labour, there is an increased demand, which produces necessarily a rise in value. More workmen being employed, they are better paid, they consume more in the way of fuel, food, &c.;

prices get higher, and benefit those who produce or manufacture. The economic and commercial world forms one immense chain of causes and effects, in which the value of each link is heightened by the activity imparted to labour, the skilful and thoughtful employment of which, and the "thrifty" use of what it produces, is the only source of all riches. When there is a scarcity of cash, when gold is being freely exported, there is a steady falling in prices, the merchant or trader being obliged to sell cheaper than he bought, so as to obtain the gold necessary to meet the bills given when money was more plentiful. Enterprises no longer being profitable at the higher rate of interest, are gradually abandoned, and new undertakings of any kind are rare. Workmen being less sought after, their wages are lessened. They have to consume less; the manufacturers produce less; merchants and traders buy less, and spend less. There is a general decrease in economic activity. Gold begins to accumulate in the Bank, and the rate of interest falls. So the world goes on. Some gain, others lose. Goods are dear: the idle capitalist class—the people who live upon a "fixed interest," or fixed salary—suffer; that is to say, in reality, they receive "so much less produce from their £100 or £200 a-year than before;" but the active capitalist class, the producer and worker, are being better paid. Goods are cheap: the positions are reversed; the manufacturer, worker, busy capitalist, get less; the idle capitalists, *all* with a "fixed income," get more.

Money is an exceptional commodity; mining, is by its nature, a speculative industry—in reality, a kind of gambling. Mines often fail in yield, or a larger yield presents itself to the same labourer; the price, or rather the purchasing power, of the metal varies accordingly. There is no way of stopping the operation of nature's law, "supply and demand." You may fix an arbitrary price for gold or silver, but the power of buying other articles with these metals is, more or less, according as the quantity supplied be more or less than to satisfy the demand for it. This variableness in the purchasing power of money affects all liabilities payable in fixed sums, or fixed rate of interest, as the Funds, &c. The interest or dividend may remain at 3, 4, or 5 per cent., but the £3, £4, or £5 sterling will, when received, buy less or more according to the value of money—viz., its power of purchasing other commodities at the time it is received. Labour grumbles at being subject to this law, which seems to the working class to keep down their pay or wages; but it acts both ways with labour, skill, and capital. Fortunately for the capitalist class, the wonderful development of industrial progress, which has carried trade onward over the globe

under the mighty impulse of steam, and railways, and steamships, and electricity, has generated heavy demands for an increased quantity of money, which has acted against a lowering of the value of money through augmented production of the mines. A state, by decreeing that its money shall consist of gold and silver, at once creates an enormous demand for these metals. But the State only creates demand, and thereby (like a speculator in cotton when buying largely) it may raise the value, but cannot fix it; the cost of production, and the proportion of supply to demand of gold, silver, or cotton, must settle the ultimate value. A common fallacy exists that the Mint buys up all the gold; it is not so. The Mint does not buy at all; it is a machine that cuts the gold into little pieces, and shapes them, and then puts a mark upon them to certify the quantity of gold in the sovereign, and its purity. The gold is taken to the Mint by merchants who have bought it of the miners or others, and the Mint gives back to them the identical quantity of gold in sovereigns, weight for weight; the gold, worth £3 17s. 10½d. per ounce, being calculated at the rate of £3 17s. 9d., and as it takes the Mint about six weeks to coin the gold into sovereigns, they deduct 1½d. per ounce for the immediate advance of sovereigns in exchange for the golden ingots. It is not the Mint that wants the gold, but the public who require the coins, as they facilitate the business of exchange or barter. So that it is not the Master of the Mint who influences the "supply of gold," but the "purchasers of the gold from the miners." The State, therefore, does not buy at a "fixed price," but only does what it can do, and no more—viz., fix the price of gold coins in terms of silver—as when it says that a sovereign is equal in law to twenty silver shillings, or that a golden napoleon is the equal of twenty francs in silver. The State gives to "money" a relative value only, by expressing the price of all other commodities in sovereigns, or the twentieth part of a sovereign. But the State has no more power than I have to fix or define what the sovereign shall buy in any market at home or abroad; every seller of gold settles that for himself, and its power of purchase varies with the skill and judgment of the seller.

Many assume that a nation can never have too much "money." Monetary metal, it is said, is never a dead capital; with money you can purchase, and pay for, any and every thing; you are lord of the market. But if you have too much iron or cloth, you lose interest by keeping it, or have to sell it at a reduction; but with money you can buy shares, Consols, &c., and it will bear you interest. True and false. If there be enough money to do the work of buying and selling, any addition thereto reduces the value of all the money. You put the

money on deposit at the Bank; to get it out, the rate of interest has to be lowered, so that the "large sum" produces less to *all* investors: or you desire to buy Consols or any particular shares, the purchasing power being out of proportion to the selling, the price of the stock or share goes up, and the 3, 4 or 5 per cent. on the higher price quoted is really a reduction of interest to all buyers after the purchase is made. Assume a large yield from a gold mine; a merchant buys £5,000,000 in Australia, sends the gold here, and takes goods in exchange; the sudden demand must inevitably "enhance the price of the commodities," which is really a reduction in the value of the gold; the £5,000,000 will *buy less*, the purchasing power of gold is less. Since the £5,000,000 were imported, the supply of gold has been increased, the supply of goods diminished and their respective values in the market have been altered by the inevitable action of the law of "supply and demand." The money does not lie idle in banks; the rate being lowered, borrowing being easier, fresh enterprises spring up. Trade being more active, there is an increased demand for all commodities; prices rise, and in time values right themselves again. But what I want you to see is, that money has no "fixed value;" its price per ounce may be fixed by the State, but its purchasing power, "what can be had in exchange for it," as in exchange for all other commodities, will vary, does vary, according to the supply of it, in proportion to the demand for it.

It would seem, therefore, that the "mercantile" school was right in maintaining that an influx of precious metal stimulates commerce and industry, while its withdrawal throws both into difficulty and induces crises. But this school erred in arguing as if gold and silver were the only riches, and that, consequently, in order to accumulate the largest possible amount of them, high protective duties must be imposed, so as to put an obstacle in the way of foreign import, and bonuses be offered for the purpose of stimulating exports to obtain the precious metals. Economists were right in stating the true riches of a nation to consist in an abundance of useful objects, not of precious metals; but they made a mistake in drawing the inference that it was a matter of indifference—in fact, was rather advantageous than otherwise—to export cash. Theoretically, they may be right, and would be if we adopted a more rational monetary system; but, practically, we see they are wrong, if we reflect a moment upon the disturbance occasioned from time to time in the economic and financial world when there is a large export of gold, the drain causing an immediate crisis, a panic with ruin to so many in its train, yet avoidable if we would but trace the "effect to its cause," and stop its recurrence by altering our currency laws, so that the monetary stock should be

maintained at the level of the wants of circulation, and, consequently, that it should increase in proportion to the development of the exchange effected in the world, so as to offer to all contracts, whether for a short or long term, as stable a basis as possible. Yet, spite of the misery in the past, we try to measure our transactions by gold; although man has been compelled by necessity to adopt a system of book-keeping, a settlement by paper, an exchange of this paper by bankers, so as to do without "gold," the yellow metal being produced in too small and too variable a quantity to advance with the development of trade—a development that is periodically checked when we try to act up to our theory and limit exchanges to "gold," causing disastrous crises, shackling manufactures and commerce, and completely strangling free trade.

There can be no free trade in money whilst the law makes one coin, one kind of metal, one anything, the only legal tender. By this act of the Legislature, it ceases to be subject to the competition that other commodities have to encounter; it is stamped with an extrinsic value. Mr. Thomas Baring has mentioned the fact that, in the crisis of 1847, one sovereign was not to be procured in India for £60,000 in silver; and that in Calcutta, during the crisis of 1864, a merchant possessing £20,000 in gold became bankrupt because he could not exchange it for silver rupees, the only legal tender. "Free trade" and "legal tender" contradict each other; the two are utterly opposed to each other. I am quite aware that the value of everything depends on the law of supply and demand, and that if the law decreed the present sovereign to be worth 40s. intead of 20s., or reduced its intrinsic value by only putting in it "half the gold" it now contains, the law would be powerless to make the 40s. buy more goods than the 20s. piece did, as prices would simply be doubled; but it would by such an act defraud all creditors of half the amount that was owing to them, as the £1,000 paid to them in the new money would only buy for them "half the value in goods" of the £1,000 they had cost in the old money. This is the entire power of the law; its changes, if they benefit A, can only do so at the expense of B, as the law creates nothing, does not add to the wealth, —simply transfers the wealth from one to another. If Mints were closed, the price of gold would vary according to its supply in relation to the demand for it, and as there is more of it than is needed for objects of luxury or jewellery, the price would fall. Silver has lost its former value because the Legislatures of civilized countries have forbidden its being freely coined in their Mints; restore free coinage in those countries where it formerly existed, silver would regain its former value, principally because of the "increased demand for it."

The power of the law consists in causing a demand, or *vice versâ*, by creating, suspending, or annulling the demand for the precious metal of which money is composed. It is said that "the value of money must be in accordance with the natural law of supply and demand." "But of itself money is an empty thing; it has value only by law, and not by nature, for a change of agreement among those using it can depreciate it entirely, and render it unfit to satisfy our needs" (ARISTOTLE). And our experience, since Germany in 1873 refused to accept silver as legal tender, has proved the truth of these remarks. There is another passage of Aristotle's in Mr. Dana Horton's book, "Gold and Silver," even more explicit: "Money is, as it were, a substitute for demand, or the thing needed; and hence it has the name 'nomisma,' because it is not so by nature, but by law, and because it is in our power to change it and render it useless." The value of money is kept up by its being "a legal tender;" men take it because they believe it has the power to obtain for them subsequently value in "commodities" equal to what they part with when they take it; it is taken as a "token of value," as an instrument that will buy for them "when they want to buy." The law gives it a value it does not possess of itself; let the demand for it to supply the needs of the "legal tender" cease—let gold or silver at any time cease to be used as "money,"—by the natural law, it would deteriorate in value, as there would be an excess of supply beyond the demand for it, and the price would be enormously depreciated. Therefore, to say the "law" does not affect the price is not correct; it does, by causing a demand for a particular commodity, and enhancing its price accordingly. "A pound," therefore, is not, as is stated, a piece of gold worth its circulating value irrespective of the Mint stamp, but a piece of gold that would not be worth the value it passes current for except for the "artificial" demand caused by that stamp that makes it the only legal tender here, and, therefore, that men must pay a "monopoly" and not a "free trade" price for. But it is said, a sovereign is worth 20s. because, if melted down, the gold from it is worth nearly as much as will get you another sovereign at the Mint. True, but you forget that it is the "law" which keeps up the bullion value of the melted sovereign. Let the law close the Mint, let gold cease to be the "legal tender," and your gold simply as "bullion" would lose a large proportion of its value. For proof of this: in France, five francs in silver have the same power in buying and paying as five francs in gold, but melt a silver five-franc piece, and it will then be worth only four. Why? Because silver, as bullion, may not be changed back into coin; but if the French Mint were once more opened to silver coinage, five francs in bullion would be worth as much as five francs in money,

just as with our sovereign. This is a conclusive proof of the "extra value" a metal has when it is by law the *legal tender*. Why is it that the price of silver is now lower by 20 per cent. than it was for the seventy years ending with 1873? Not because it costs less to produce, not because of its diminished utility, but because Germany refused to receive silver as legal tender. Let gold cease to be "legal tender," let its utility for coinage be destroyed by legislation, and the value of gold would be deteriorated, similar to that of silver. It is the "Mint" that gives gold a fictitious value, as by its action it establishes a radical difference between the monetary metals and any other commodity. "Money"—that is, "money as a legal tender"—is not merchandise, and subject to the free operation of the law of supply and demand, like a piece of machinery, a piece of cloth, waggon, &c. Money need never be dead capital; you can buy, pay, lend it. With goods—if you buy too much, or buy what is not wanted, or fail to sell what you have bought for any reason whatsoever—you lose interest day by day as you keep them; they deteriorate in keeping; or, if you force a sale, you can only sell at a loss. By the action of the Legislature, money is a living capital, current everywhere; there is always a demand for it; its "exclusive" privilege gives it pre-eminence over all other merchandise.

It is said by many that "gold buys by means of its cost of production"—that it passes as worth so much because it would cost as much to produce it. Because one ounce of gold, standard value, can always be exchanged at the Bank of England for £3 17s. 10½d., people argue as if the ounce of gold always had the same value. The value of an article consists in its power to purchase other articles; and although gold is apparently of the same value, its purchasing power varies very much; the same weight of gold or silver will now only purchase a quarter or a fifth of corn, or other commodity, that it would have done in the thirteenth century. A fixed value being put by law upon gold, the price of other commodities has to be altered to agree with that standard. We say that goods go up and down; in reality, it is the "purchasing power" of the legal tender that fluctuates. Silver in 1873, 1875, 1876, fell from the highest point of 60d. or 61d. per ounce to 50d., 46d., and the average now is about 50d.; but the cost of producing silver is no less. The fall in price was occasioned by Germany selling it, combined with the prohibition against its free coinage in all civilized countries. The demand for silver from the Mints ceased. The supply being beyond the demand, the price fell to the purchasing price in an open market. It is a most striking instance of the alteration in price when the "artificial prop" by the State is withdrawn; we see at once the different value or price

with a "monopoly," and when subject to "free trade." When Belgium and, later on, Germany adopted nickel in place of copper coin, the value of that metal tripled. The cost of its production had not increased, but an unexpected demand had arisen, out of proportion to the supply, and the price went up. Cease to use nickel, silver, or gold as "legal tender" coins, the price must go down. Gold keeps at £3 17s. 10½d. per ounce because this price can always be had for it at the Bank of England. Gold will never be sold cheaper while the Mint in London maintains its price. When the mines of California and Australia were first worked, about 1850, the quantities sent were enormous, but gold did not fall; but for a time the price of articles rose, especially such as were wanted by the miners. They got the gold easily; the cost of production was therefore less; but for what articles they consumed they had to pay much higher prices. But experience shows us that an increase, even very great, in the quantity of money does not produce a rise in prices, if its effect be, as is generally the case, to stimulate the creation of fresh enterprises, and thus to increase the amount of merchandise to be exchanged and transactions to be settled. Stability in the value of money is its most essential quality. Both Aristotle and Locke recognized this: "*The measure of commerce must be perpetually the same, and invariable.*'" But this ideal of permanent value being unattainable, we have to consider which legal tender approaches nearest to it—bi-metallic or mono-metallic.

What is bi-metallism? Mr. Bonamy Price says: "The use of two metals for coins does not create bi-metallism in its technical sense. England coins both gold and silver; yet she is not bi-metallic, for two reasons. First, she refuses to coin all the silver that might be presented to the Mint; she confines herself to such a quantity as will be sufficient to provide for the want of small change. Secondly, the law does not make silver coins legal tender, a payment which a creditor must accept, beyond 40s. Under such a law, a large mass of silver coin would be impossible. Bi-metallism, on the contrary, first coins all gold and silver offered to the Mint, in a fixed ratio towards each other, determined by the law, and then decrees that such coins shall be legal tender for the payment of debt, at the option of the debtor." The only way to prevent bi-metallism from being mischievous in practice is the condition that the ratio between the value of each metal in the coins shall correspond with their values in the bullion market; it is only on this basis that a creditor or a seller will receive the metallic worth, in gold or silver, of the debt due to him, or of the commodities he sells. But bi-metallists refuse this condition, and ask for the Mint to coin all gold and silver offered; for gold to stand

to silver in the coinage in the proportion of 1 : 15½; and to make gold and silver coins, to any extent, equally legal tender for the payment of debt. If this were done, silver would acquire an excessive, unnatural, and purely artificial value. We should have a "false money," which would not do the work of true barter, giving equal for equal, value for value, as nearly as money or any tool of exchange can. We have seen that, by the law of supply and demand, "the prices of commodities" are affected by the supply of gold; the mischief would only be increased by our having "two legal tenders" instead of one. With a single metallic standard, as Mr. H. H. Gibbs remarks, "every one who buys and every one who sells knows precisely what it is that he gives and what it is that he receives for the commodity with which he is dealing. Of the single standard of these realms, I will say, that if nothing else had to be taken into consideration, and if we had dealings with no other country but the British Islands, our system would be perfect." Experience is useless unless it guides us from the follies of those that preceded us. What do we find with bi-metallic France? "Gold, being the dearer of the two metals, had nearly left the country, and little but silver was to be seen. France was denuded of gold, the dearer metal, and yet the price of silver only fluctuated between 58$\frac{7}{8}$ and 60$\frac{3}{8}$. Later on, when the construction of Indian railways had greatly augmented the demand for silver, that metal became the dearer of the two, and it became difficult to get change for a gold napoleon. How fared it then with the prices of commodities in France? Were they not the sport of the changing values of two metals, with the very unpleasant consequence, that the unlucky creditor, the man who had sold his goods on the faith that the coin he had to receive would be worth what he had given away, found himself paid with the metal whose value had become smaller, and would buy less? Is this good money? Does it make traders, nay, every man in the community, comfortable? Who can estimate the amount of the sufferings which might ensue?"

It is surprising that men who know so well the nature and action of money should deliberately propose to substitute "two evils" for "one," and ask, as the basis of the operation, that we ignore the confessed and serious differences of bullion-value of the two metals they advocate for our combined use. They ask us to begin with a falsification of values, with intrinsically bad money, with two metals fighting one another in the same coinage. What will happen? Why, silver, whose value has been artificially elevated, will pour in from abroad. It will be converted into coins. These silver coins will be exchanged for sovereigns (getting for 15½ ounces of silver an ounce

of gold really worth 18½, and with the gold buying 18½ ounces' worth of goods, and there will be many ways of accomplishing the operation), or will be applied to the purchase of bills to be paid for by other countries. The importer of the silver will now export abroad 18½ ounces' worth of gold or goods; a handsome profit will be made; gold will steadily depart, and silver will increase in the country. The cheap silver, after expelling the gold, will be practically "monometallic." Experience confirms the opinion that it must be so; instead of gold, silver will fix prices; they will rise, to the heavy loss of every fixed income and every debt due.

The late Professor Jevons, in "Money" (pp. 137–140), argues in favour of bi-metallism, because of the compensatory action of two metals. He says: "Imagine two reservoirs of water, each subject to independent variations of supply and demand. In the absence of any connecting pipe, the level of the water in each reservoir will be subject to its own fluctuations only. But if we open a connection, the water in both will assume a certain mean level, and the effect of any excessive supply or demand will be distributed over the whole area of both reservoirs." Mr. Jevons proves his theory of equilibratory action by giving the totals of silver and gold from 1849 to 1879; but his figures upset his own argument, for, since 1878, we have had more silver than ever. And why should it cease to come here? Monometallism does not put aside silver; it only prevents Government from raising its value artificially one-tenth by making it a "legal render." Silver should be used as we employ it, for its convenience, and as a legal tender to a nominal amount; it would be very unwise to make silver equally legal tender to any amount, the same as gold, unless it be conditional upon the value of silver in the bullion market, and the proportion of the silver coins to the gold ones to be determined from time to time by competent authority. This, however, would cause a deal of trouble and uncertainty; and the true policy is, as now, for the value of silver to rest upon supply and demand, and for the world to adopt one standard, one legal tender of money—gold. Mr. Bonamy Price gives, as an example of how money does its work, an experience of his own: "Some years ago I was leaving Geneva for England, and had only English sovereigns wherewith to pay my bill. The landlord readily accepted them, calculating them in francs, according to the exchange of the day. He then looked over them in his hand, and asked me whether I could give him a Queen Victoria sovereign in exchange for one with King George and the Dragon. I did so, and then asked him why he preferred the one sovereign to the other, as in England both would perform the work of payment equally well. He instantly replied, 'Sir,

all these sovereigns will be melted before to-morrow evening; the King George and the Dragon was coined many years ago, and is probably of light weight; the Queen Victoria is modern, and of full size.' Never was an answer more instructive. Manifestly I was paying the debt I owed, not with coins, but with pieces of metal; as such the landlord treated and accepted them. Food and lodging were exchanged, by direct barter, as of equal value, for small lumps of gold, of given weight and purity. No transaction could be simpler or more transparently clear; the nature and the action of true money stand forth here in the brightest light."

The demonetisation of silver by Germany has caused a great loss to the Indian revenue, and English interests have suffered to the extent of 15 per cent. and upwards on the total capital held by Englishmen in Indian enterprise; whilst the loss to officers, civil servants, and all parties paid by a "fixed" number of rupees in India, in their remittances to England at the depreciated exchange, must have been very great. Then there is the loss by the exchange on shipment of goods from England to India; this has to be made up somehow, either by lower prices in England or higher prices in India. But we have got over the loss inevitable when any article is deprived of an "artificial" support; prices will have regulated themselves to the new method; and there does not seem sufficient reason to legalize the raising of the value of silver artificially to the ratio of 15½ to 1, when its real value is as 18½ to 1. The main cause of the fall was its diminished utility. No doubt, as asserted by bi-metallists, whilst silver was a legal tender, the actual value of gold and silver during a period of seventy years varied several times, yet the relative value scarcely changed at all. But this was because free coinage of both metals existed; whilst silver could be exchanged for coin at the Mint, its apparent value did not change. But nevertheless, during the last seventy years, too much real value was given in exchange for silver, and we have had to pay it back in bulk the last few years. In reality, when the artificial value of silver was taken from it by Germany, what happened was precisely the same as in England, when the Bank calls in all the "light gold." For many years, the sovereign, by wear, has been getting less and less in value; but custom and habit have caused it to be taken as if of the real weight, and the loss which has been year by year accruing has to be borne by the unfortunate holder of the coin when it is decreed the coin shall no longer pass for more than it is really worth.

PAPER MONEY, BANK NOTES, CHEQUES.

Bank notes were invented to perform the same work as coin; but let me impress upon you not to forget that coin alone is currency, and that the use of bank notes is to supplement the action of, *to represent* coin; and they should only be taken upon the distinct understanding that the Bank of England and other banks that issue notes will convert the same into gold for the holder when asked to do so; the paper money only being used on account of its greater convenience. But it would be a fatal error to consider bank notes even of the Bank of England as currency, *as coin itself*. Paper money is useful for home purposes, being convenient and economical; an addition to the circulating medium that the world could not do without to effect its present bulk of exchanges, the work of distribution; but the people must *not* forget that it is but *paper*, cancels no debt, effects no real transfer of property,—as it is not *money*, but only a *promise to pay money*, and, until cashed by the banker, of no more intrinsic value than the paper it is written on. So you will please confine currency to coin, and always treat of paper as paper money—a most useful instrument for making transfers and exchanges, but of no real intrinsic value until you have obtained for it *currency coin* of the value it represents, next in importance to, but not equal to, the coin itself; although both act as money when they are kept by, and stay in the hands of, the public.

How few people properly appreciate the value of cheques, the most important species of "paper money" ever introduced—the money of intelligence, the indication of civilization! It is the general impression that "bankers" are dealers in money; but an ordinary banker does not deal in money, in cash, in sovereigns and bank notes. Sir John Lubbock gave an analysis of a sum of £19,000,000 paid into his bank; it was composed of—

Cheques and Bills	£18,395,000
Notes	487,000
Coins	118,000
	£19,000,000

You will perceive that "three per cent." only of the whole amount

was paid in cash, and only "one-half per cent.," or one in every £200, paid in in coin. "Money"—metallic money—therefore, forms but a very small item in a banker's daily transactions; 97 per cent. of his receipts being composed of *cheques and bills.* A more convincing proof of the value of "system" it would be impossible to find than "Banking" and the "Clearing House." Banking does away with the necessity for "coined money." A has money, or an amount to his "credit," at the London and Westminster Bank; B has the same at the Union Bank. A owes C a sum of money, he pays it by a cheque on his banker; B owes D a sum of money; he pays it in the same manner. The amounts are simply transferred from "one banker's ledger to another;" so that banking is really an institution for the collection of debts, in the shape of bills, cheques, dividend warrants, coupons. The people hand to their banker their claims to collect, and these claims are sent in daily to the Clearing House by the different bankers. The clerks there ascertain the value of the claims sent in by one banker, and the value of those sent in by the other banker against him; a balance is struck, and the banker who has to pay a balance gives a cheque for it upon the Bank of England. The following figures give the totals of the "Clearing House" for the first six months of 1878 and 1879, and furnish the most unmistakable evidence of the value of thought and method in human affairs. Please remember, by this method these figures prove that debts were collected in six months of the value of "£2,560,126,000," by means of cheques and bills, not a note or gold coin being wanted for the settlement; "it was simply a transfer" of debts from one banker's ledger to another, for the following gigantic totals:—

1878.		1879.	
January	£448,480,000	January	£421,892,000
February	407,607,000	February	369,584,000
March	442,887,000	March	402,752,000
April	412,349,000	April	409,767,000
May..	428,052,000	May..	432,779,000
June	420,752,000	June	384,390,000
	£2,560,126,000		£2,421,164,000

At present a banker thinks only of gold to replenish his reserves; he does not see that the reserve dwindles away, because the receipts which feed it are diminishing; he overlooks the fact that gold figures for only "one two-hundredth part" in the daily returns, and, therefore, that its variation in the total receipts is not the cause of his inability to lend at one time less freely than at another. Trade being good, should make no difference. What does it matter if the

"Clearing House" return be £100,000,000 or £200,000,000 per week? No more gold is needed for the settlement of business transactions represented by the larger than for the smaller sum. Bad times can only be remedied by increased production; a banker's reserve can only be legitimately increased by his connection increasing, or by his customers increasing their means. The American War caused the people to produce less; they bought less. With every diminution of trade, there is a corresponding diminution of profit. A banker's resources dwindle away; he receives less, the demands upon him are greater than the sums given him to collect; he has to sell or call in loans upon securities; and there is a cry that gold is getting scarce. But whilst the merchants and the bankers are in agonies about gold, it is not gold that fails, but, as Adam Smith long ago remarked, "the means wherewith to buy it." It is not gold, but capital, which is in disorder. In the worst crises gold is always to be had, but not the loan of gold. Loans are dearer, but gold remains stationary in value. Outside the financial world, the buying power of gold in relation to land and property continues unchanged. You may say that the prices of commodities fall during a crisis, but then that happens because so many have become suddenly poorer, and can no longer afford to consume and buy as freely or recklessly as before; or because the dealers in these commodities are obliged to make concessions in order to force sales, owing to their want of judgment in buying too largely in proportion to their capital, and being, therefore, compelled to get the capital of others even at a great loss. But "currency" has nothing to do with this. Panics under our present system are caused by the want of a correct conception of "capital," and lack of the requisite "business" capacity. Manufacturers and merchants trade on borrowed money, and in times of panic a large number of the people desire to keep their money in their own hands, and are not disposed to leave it in the hands of bankers for the use of traders, as heretofore.

What is wanted is a system that will abolish this want of confidence at certain periods. The people must be taught how valuable "bankers" are: a machine of superlative cheapness and efficiency, as it bears also the most decisive evidence to the public order, the sense of security, the supremacy of law, and the intelligence of the society in which it is freely used. In combination with the Clearing House, it dispenses with gold and paper currency almost entirely. Within its own sphere, the "cheque" buys and sells with equal facility with the sovereign; it does the work of the precious metals, is a more secure method of payment, and brings in a large amount of revenue. Its power is immense; and instead of watching so closely the movements of gold and notes, the

people, aye, and bankers also, should watch more closely the "Clearing House returns." It is the fluctuation in the "cheques" they have to notice, and which indicates so unmistakably the state of trade; it is the "cheque" which brings the riches within the portals of the banker, and the "cheque" is the instrument on whose wings it takes its flight therefrom. The barometer of the commercial atmosphere is the "Clearing House" daily returns; the rising flood of cheques is a sign of the activity which is the usual indication of the profitableness of business, as its ebb too surely announces the drooping resources of commerce. Great is the "note," but far greater yet is the cheque. It is the "cheque" which constitutes the resources of the banker; and it is the "cheque"—that mighty potentate—that orders him to pay, which in times of panic threatens and often accomplishes his downfall. In the *Sartor* of June, 1871, I suggested that the Post Office should issue "cheques" made out in duplicate by the copying process, all payable to order, and all crossed "and Co.," all lettered Ln. for London, Mr. for Manchester, and numbered consecutively for each town. The postmaster would only have to fill in name of payee, and send up duplicates daily to head office, where all Post Office cheques would be payable to bankers only. The cheques to be issued at risk of payer, commission being "one penny" for sums not exceeding 40s., "twopence" for sums over 40s. and not exceeding £5, "threepence" for over £5 and not exceeding £10. That this view is practicable is proved by the fact that in the analysis for May 8, 1876, in eleven large towns more than two-thirds of the money orders were paid to bankers, and in 1875 the orders paid at the chief office to bankers were £2,039,775, and to the public only £125,918. We are told by the authorities that the minimum cost of a money order, whether for 5s. or £10, is the same—"threepence." Instead of reducing the cost of issuing and paying money orders, the authorities raised the price, and orders for £2 and £5 cost more now than they have ever done since they were first issued in 1839. What is the result? The reduced charge in 1871 increased the number of orders from 10,244,667 in 1870, to 17,822,921 in 1877. The increased charges since 1878 have caused a steady decline to 14,692,328 in 1881. It is true we have got "postal orders," but they are too dear, and a great nuisance. We have a lot of letters, and a great many small amounts; often for 3s. 8d., we get two 1s. postal notes, one at 1s. 6d., and two postage stamps.

Money order telegrams are also much needed. "G. P.," in a letter to the *Times*, Oct. 6, 1878, mentions that in France it is possible to authorize by telegram the payment at a distant office of a certain sum of money to a specified individual, and he asks why

the same facilities are not afforded to us in England. As far back as 1870, I brought this matter before the Secretary of the Post Office. October, 1871, I was informed my suggestions, with others, were under consideration. For several years we arranged with our customers, when taking out a money order, in urgent cases to get the postmaster to send us a telegram, that "an order for so much has been taken out in your favour by A. B." This worked well; but the authorities stopped it, as "contrary to regulation." My letters, advocating money order telegrams, have been inserted in the Trade Journals, and also in the *Echo* of January 21, 1871, October 6, 1871, September 28, 1872, and March 17, 1875; and if the system can be carried out in France, why not in England? "Cable transfers" are the latest form of remittance abroad. Instead of the Bank advising by letter that A has placed so much to the credit of B, they wire in cipher to their branch at India or Australia that so much has been placed to B's credit. If the Bank can do this with safety, why not the Post Office? Because it is a monopoly, and too fond of red tape and circumlocution, or we should have had "sixpenny telegrams" and "halfpenny local postage" long since, and a "parcel post" in operation. It is a disgrace to England that Switzerland should possess the cheapest and best parcel post in Europe, doing good service to the State by its aid to distributors and consumers. Before setting out on a tour you put a postage stamp on your baggage, consign it to the nearest post-office, addressed to your next destination, and find it there when you arrive. What a difficulty we have made about this "parcel post;" and now the Act is passed, what a time the authorities are taking in arranging how to carry it out!

There should be no distinction between a spurious bank note, a forged bill, and a cheque given when there are no funds of the drawer at the banker's to pay it. Each method is adopted to obtain "goods by false pretences." It is absurd to tell a tradesman that, as he can refuse to take cheques in payment, the law can only regard it as a credit transaction "deferred, not actual payment as with coin at the time of purchase." The law may be right logically,—the trader ought to know that the cheque is but a "promise to pay," with no date when specified; but, practically, a tradesman parts with his goods in exchange for the cheque, upon the assumption that the drawer has given him an order to go and get the value for it; and as upon the faith of the order to receive so much money, he has parted with his goods, the law ought to protect the victim, and not the thief; the cheque being taken as a substitute for, but representing, "money," as an order for payment that can be made *at once*. A "bank note" is really a cheque—a banker's order upon himself—with this important

distinction, that it "circulates," whereas a cheque of Rothschild's is presented for payment because it will not. But still all notes are "cheques," and this is another proof that "currency" is not understood, and must be considered as "not understood" until people recognize the fact that "bankers' notes," even though of the Bank of England, are merely "cheques," promises to pay, drawn by a banker upon himself. Yet in the height of the greatest panic, when bankers are trembling for fear of not meeting their liabilities; when we hear such harrowing accounts of the scarcity of "money"—that money is not to be had at any price,—the people are so little in want of the "money" which they are raving for like wild beasts, that, not knowing what money is, they eagerly take "bank notes." In 1826, when there was hardly a sovereign in the Bank, the public readily accepted even old £1 notes, which had been withdrawn from circulation, and which had *not been* a *legal tender* for four years before, yet they took them and hoarded them, forgetting that they were but bits of paper, and that at all times a banker's engagement to his notes is identical with that which binds him to any cheque from a depositor. Both are payable on presentation, when the holder chooses to make his demand; the only difference is, the greater probability of the one being presented rather than the other. Comprehend this, and you will perceive the importance of the currency laws being altered so as to increase this probability; nay, make it a certainty that the "note" will not be presented; also, that bankers may feel secure that they can, if they have the requisite securities, obtain "notes" enough to honour all cheques that may be presented. The Mint guarantees the genuineness of the sovereign. The Government should have an office for the issue of notes to bankers upon their depositing securities for the repayment of the debts of issue to the public. Notes might be, would be, generally used, if issued for £1, £2, &c. Notes are not money; true, no more are cheques, which, I have shown to you, take so well the place of money. Cheques, however, cannot act as "money;" it is not their province to "circulate;" they are intended to make one payment, and no more; but notes are used for a number of exchanges before being sent in for payment, and ceasing to exist. Notes act like coin, are taken the same as coin, go from hand to hand, are kept in pocket or desk till needed, like other money, are as familiar to all of us as the sovereign—in many respects are superior to the sovereign, being lighter, more easily carried, the best possible money to be had; and if my suggestions were adopted, we should be able at all times to obtain "all the money" we need. In reply to those who dread "too many notes being issued" if paper money were more generally adopted, this cannot be with

"convertible notes." With notes as with coin, as Mr. Bonamy Price says: "So many bank notes as the public want, and can use, will circulate, and no more. Neither the bankers, nor the Parliament, nor the law, nor the need of borrowers, nor any other power but the wants and conveniences of the public, the number and amount of the specific payments in which bank notes are used, can determine how many convertible bank notes will remain in circulation, and not be returned upon the hands of the banker for payment. 'This is the truth of truths in currency.'"

Cheques are not currency, do not run, since the recent decision less so than formerly, as it is dangerous to use cheques as money; they were never intended as such, being simply an order from the drawer to his banker to pay a specified sum to A. B. or the bearer, and now generally by all prudent men are marked as soon as they receive them, *not negotiable*. They should be paid into the bank to have the transfer made, or be cashed as soon as possible. A bill of exchange is slightly more current; as it passes, like other tools of exchange, through a few hands by being endorsed; but its run is limited, as it has a fixed day for payment. Cheques and bills need care—we do not take them from strangers; hence they are not money in the popular sense, not being things like bank notes, or gold, that every one takes as a matter of course. It is to be regretted that bank notes, cheques, bills, are called money. Even Mr. Bagehot, in his "Lombard Street"—written expressly to explain the money market as being as concrete and real as anything else capable of being described in as plain words, so that it is the writer's fault if what he says is not clear—gives six different meanings to the word "money;" whereas coin, metallic coin alone, is true money, and every kind of paper money extant is but an order to A. B. to pay money, or a promise by B. A. to pay money. Its value is in the order or promise; and an order or promise is not the thing itself—the thing is absent—the paper is intrinsically valueless; if the cheque be dishonoured or the bank fails, he has got nothing for the wealth he gave for it; whereas, in the gold he gets a property, a metal as valuable as the article he has sold.

Mr. Bonamy Price, in "Currency and Banking," puts the matter very clearly: "If cheques and bank notes are true money, then so are spoken words, for they can purchase property, and bind the buyer at law just as strongly as a cheque. To tell a bookseller to put £5 worth of books to his account, commits the buyer to payment as completely as a cheque. Coin is the substance, the reality covenanted to be given for goods bought; consequently coin alone is payment. Everything else, bank notes, cheques, warrants, are nothing but title deeds, evidence good at law to compel the stipulated

payment in coin, if not voluntarily given. Without a court of law in the background, they are only acknowledgments resting on honour, and may at any moment prove to be empty writing. Coin pays; no form of paper does till what is written upon it is fulfilled. A bank note is not property placed in a man's hands; every seller may decline to take it. If the bank fails, the holder will never be paid at all."

The truth that bank notes are not money received a remarkable confirmation from an elaborate judgment delivered in the Supreme Court of the United States; and the careful reading and thinking over this will explain the weakness of "inconvertible" paper money.

The question which presented itself for final decision was whether debts which had been contracted previously to the Act of Congress, which made the inconvertible bank notes called "greenbacks" legal tender, were discharged by the tender of these notes. Nothing could be sounder or more admirable than the doctrine laid down by Chief Justice Chase. He ruled that such debts were contracts to deliver money, and that bank notes were not money, and could not be forced upon a creditor as a satisfaction of his claim.

The distinction that coin alone, the metallic dollar, was money, was most sharply and accurately drawn, and the right of the creditor to the covenanted payment was clearly established. A bank note was pronounced not to be payment; it did not fulfil the contract entered into to deliver money. The case was wholly different with debts contracted subsequently to the enactment of the law which declared greenbacks legal tender. The creditor had been distinctly warned beforehand that the word "dollar" would be understood by the law to mean that particular piece of paper which contained an acknowledgment of debt due by the Government of the United States. He knew when he gave credit on an undertaking to be repaid in dollars that he would receive, not money, but the transfer of a debt expressed on paper, which was due by the Government. He did not stipulate for money, and, consequently, money he was not entitled to, and would not receive. He would get dollars, as interpreted by the law of legal tender, not the metallic dollars which are money, but a promise made by the Government to pay *such dollars, without any stipulation as to the time when they would be given*. It was for him to consider when he gave away his goods what the promise of a dollar, or the piece of paper, might be worth in the stores.

Nevertheless, though bank notes are not money, it is hopeless to try to strip them of that title. When the bank notes are established in public confidence, it is impossible to maintain the distinction between them and coin in popular language. Mixed together in the same purse, the common heap is regarded as money. They both do

the same work, both circulate and purchase with equal ease, both raise no other idea than that they are money to buy with. The radical distinction, however, between them, that coin makes a real payment and notes do not, is of the utmost scientific importance; the difference meets the inquirer at every turn in examining the nature and action of bank notes.

Paper money, out of its own country, in many cases carries no value at all. Bank of England notes, indeed, which have the same prestige over other kinds of paper money which the sovereign has over other coins, may be cashed without difficulty in Paris, Vienna, and other large cities, and at no greater charge than is made for converting sovereigns into French money. Indeed, as neither sovereigns nor Bank of England notes will circulate abroad, and have to be sent back to England before the foreign holder receives value for them, the notes are fully more acceptable than the sovereigns, seeing that they can be transmitted to England for the mere cost of postage. Convince a continental money-changer that the English bank note is genuine, and he will give you cash for it as readily as for our metallic money; although, of course, there is this difference—that coins can be tested anywhere, their value is in themselves; whereas bank notes, even of the Bank of England, in foreign countries can only be received as genuine out of confidence in the person who presents or endorses them. All paper money needs this guarantee of its genuineness, that the promise on the face of it will be kept. The Scotch prefer paper money, as being in their opinion cheaper, safer, and more convenient for currency than the sovereign; but their notes do not circulate out of the kingdom. The same with notes of the provincial banks; these are very useful in the immediate neighbourhood of the banks that issue them, but they are received with great caution, if not suspicion, elsewhere. They will not circulate generally, because the public at large are not familiar with them, and, therefore, have not the necessary confidence required before parting with their gold or goods in exchange.

In this country, the paper money issued under legal restrictions by the banks amounts to about £40,000,000 sterling (the gold and silver money, whether in circulation or kept in reserve by the banks, amounts to about twice as much); and those who are friendly to Peel's Act, like myself, contend that it secures the convertibility of the Bank of England note. By the phrase "securing the convertibility of the note," it is not meant that the issue department of the Bank of England holds a sufficient amount of gold and silver to pay off all the notes it had issued. The Bank is allowed to issue notes against the value of Government securities that it holds, say £15,000,000; so it is obvious that the amount of gold and silver must always be less by

this amount. But by "securing the convertibility of the note" is meant that the issue department of the Bank of England is in a condition to pay off any amount of notes of which payment was likely to be demanded *for the purpose of exporting the gold.* What they have to be prepared for is to be always ready to meet any *foreign* demand for gold. This is called "securing the convertibility of the note." The principle is correct, and I fail to see why the Bank of England should not have additional power, and be permitted to issue notes to any amount the nation needs, upon the same conditions that she issues the £15,000,000; and I see no reason why the joint-stock banks and provincial banks, or, briefly, any banker, should not be allowed to issue notes upon the same conditions, depositing Government or other securities to the value thereof, the same to be stamped when issued, or paying, as now, a tax to Government upon the notes so issued. By this means we should obtain always a plentiful supply of money for all internal purposes; the nation would make a profit to help in reduction of taxation; and the principal causes of pressure that resulted in the suspending of the Act, as in 1847, 1857, and 1866, would be removed. At present, when the exchanges are favourable, gold is imported. The Bank is compelled to issue notes against this bullion, thus increasing the circulation, and lowering the rate of interest; this leads to speculation; these, co-operating with other causes, soon turn the exchanges. Notes are taken to the Bank, and gold demanded, for the purpose of being exported. This contraction of the circulation of notes produces pressure, and the apprehension of further pressure produces panic. It is stated that during the pressure of 1847, notes to the amount of £4,000,000 were hoarded under the influence of panic. It is difficult to state where prudence ends and panics begin. That there is no real necessity for them, that they produce an incalculable amount of ruin and misery, is certain; and if the Act of 1844 was enlarged, so that notes, upon depositing the requisite security, could be had for any amount, and panics be avoided, the change would be a national blessing.

Our Currency Act should be so framed that at all times, more especially in times of panic, the people may be certain that any amount of money can be had by those who have the requisite securities to deposit for the same. It is the dread of not being able to get the money that causes half the mischief; and it is folly to go on trusting in time of need to suspend the operation of the Bank Charter Act. When an Act is suspended, it must be either to remove an evil which the Act has produced, or to prevent an evil which the Act may produce. But it is in our power, and as prudent men it is imperative upon us to use the power we have, to adapt the Act for all times; we ought to have—con-

sidering the great interests at stake, and the overwhelming, irremediable evil an inefficient circulating medium causes—an Act adapted for all times, and so provide against panics in the present or the future. If panics are caused by the Act, let the Act be altered; if not, it cannot be wise to suspend the operation of the Act; but the real cause should be found out and removed. Currency has its laws; these must be understood better generally; the fluctuations are known by a banker, and expected as naturally as a farmer expects a recurrence of the seasons. The fallacy is in assuming that the nation is on the road to ruin or to prosperity because the circulation is higher or lower this month than in the preceding month. The circulation of the Bank of England is affected by the payment of the public dividends. The country circulation is affected by the price of corn; the Bank of England by the amount of her bullion. How absurd to expect that these should at all times correspond! Even had we but one bank of issue for the whole nation, a constant conformity between the London and provincial circulation could never be maintained. An importation of gold would expand the London circulation, and an exportation of gold would contract the London circulation; but the country circulation would never expand and contract in immediate conformity, and in certain seasons of the year would show a progress in an opposite direction.

Banking has economized enormously the wealth of every country in which, like our own, the system has been well developed. Strange to say, in London, the city of gold, gold is but little seen. We know, by official returns, that so many millions of gold lie in the vaults of the Bank, and we infer that a few thousands of sovereigns are kept in each of the other banks, as small change for their customers' wants. But the precious metal itself makes no appearance in the immense daily transactions of our city of gold. Bits of paper, with some writing on them, are the potent agents of the scene. Paper, paper everywhere; but no gold, not even bank notes. You go to buy some shares, you see the rate they are quoted at, and commission your broker to buy. The broker goes into the busy, crowded room of the Stock Exchange, finds or calls out for some one who has shares of the kind to sell, makes a bargain at the current rate, and brings back either a cheque or a stamped agreement to purchase, which he hands to his client; coupons or certificates are given on one side, and a cheque on the other. But no gold—not even notes! The same takes place in the Royal Exchange and Mincing Lane; only bills and produce are there dealt in, instead of stocks. If you pay a man, you give him a cheque. If you discount a bill, you get the produce in a cheque. If you obtain a loan from your banker on stock, or by his

discounting bills for you, the amount is placed to your credit, and you tell your creditor to draw on you, or give him a cheque. It is really a strange thing to contemplate so much wealth changing hands—money ceaselessly *in transitu*—yet not a sovereign to be seen. It is but the ghost of money that occupies the city, or rather it is money in its most civilized form—convenient and inexpensive. It is the cheque system, the credit system. And, after all, money itself is nothing else than a form of credit—a thing (whatever its substance) which men by common consent have agreed to recognize as a definite symbol of wealth—a representative of property.

The truth is, the whole operations of this monetary metropolis would come to a standstill if the payments and exchanges of property had to be carried on in gold. A single dealer sometimes lends, or pays, or receives £1,000,000 sterling or more in a single day; and dealings to the extent of several hundred thousand pounds are by no means exceptional occurrences on the part of single individuals. Many millions of property are changing hands, in loan or purchase—in banks, discount houses, on 'Change or in Capel Court—every day. Fancy what it would be if men had to carry about with them such a mass of gold! A thousand sovereigns is a burden which few men would care to carry about with them for a single hour. What a sight, then, it would be if the busy hive had to trot about thus laden! Ants in their hive, carrying about their eggs as big as themselves, would be a joke to it. And consider, too, what insecurity there would be, what occasions for loss of the precious coins, what temptations to theft and robbery, if the transactions in this busy place were so conducted! It would be quite impossible to carry about such a mass of gold as would be needed to liquidate the engagements which daily take place. Still more, even if it were possible to carry about these loads of gold, the gold itself in such quantities could not be procured. Happily, the yellow metal is not wanted. Cheques, bills of exchange, and bank notes are found to be equally valuable and negotiable; they represent property quite as reliably as gold, besides being infinitely more portable, safe, and convenient. And hence they, or rather bills and cheques, constitute, to all intents and purposes, the only currency on 'Change and throughout the monetary city. By means of them transactions to the extent of many millions take place daily without a single sovereign or even bank note being visible.

Yet gold, though not visible, is the presiding spirit. The power of paper, its very existence as a medium of exchange, the enormous sums it so easily transfers, all its operations depend upon the presence of gold in one part of the locality—in the Bank of England. The thousands who daily operate never see it. But, visible or invisible,

its presence and amount regulate the operations of the Bank, and those operations regulate and affect all the other operations of the precinct. According to the weekly report of the officials as to the quantity of gold lying hid in the strongest chambers of the Bank, the value of stocks and shares rises and falls; high or low rate of interest, panic or prosperity, occur, according as much or little of the yellow dross is reported to be in the occult chambers of Threadneedle Street. The vital point in the day's monetary news are the lines that tell us how much gold has been taken to or withdrawn from the Bank, as the movements of the precious metal regulate the Bank rate of discount; and although the leading joint-stock banks now act independently of the Bank, and regulate the rate according to their power of lending, still the Bank rate is the principal regulator of the rate of discount, as it indicates the supply of or demand for gold. As before intimated, I think something should be done to remedy this, and prevent the great fluctuations the rate of discount is now subject to. The price of money depends on supply and demand; bankers, and all dealers in money, like a high rate—the trading classes do not. To my mind, 2 per cent. is as bad as 6, the one being as much too low to pay for the use of money as the other is too high; the rate must fluctuate. But there is not sufficient reason for the extreme rates up and down in every twelve months that we now experience—variations only justifiable upon the assumption that every one had literally to meet their payments in gold, which at times may not be easily procurable; but it is not so. Bank of England notes answer every purpose equally as well, and can be manufactured in any quantity. There is no reason whatever to alter the principle of the Bank Charter Act of 1844; but why £15,000,000 should be the maximum sum for the Bank of England to be allowed to issue her notes against security I fail to see. On the contrary, there is every reason why a sum that was sufficient to meet the needs of 1844 should be altered to meet the larger needs of 1883. It is simply absurd, when trade is good, that our operations should be limited, because of the scarcity of gold. It is impossible for gold to increase in proportion to the nation's needs; but I hope to convince you there is no need for more "gold." Let the trade of the nation increase to any extent; the exchanges, however large, may be made by cheques, bills, banks, and the Clearing House. We only want the Currency Act altered so as to permit the Bank of England or Government to increase the note issue to any extent, proper security being given for the same. If we found in times of panic that people lost faith in the notes, and all wanted gold, there would be some reason for our timidity upon this subject; but, as a matter of fact, no such loss of confidence has

ever occurred. People take the notes as readily when the stock of gold is low as when the Bank's coffers are overflowing with the precious metal. The notes serve their purpose as money quite as well as gold does, and the public greatly prefer them as a means of internal circulation, as a means of settling accounts among themselves. Bank of England notes are accepted everywhere and at all times as preferable to specie. It has always seemed to me a great pity we have not notes for £1, £2, £3, £4; they are very convenient; and it would make the poorer classes familiar with paper money if they were paid their wages in that money. With the middle and upper classes, paper money is always preferred—a cheque being preferred to anything else, although only an order to pay, and not a legal tender at all.

Inconvertible Bank Notes.—An explanation of these will perhaps give you a better value of "convertible" bank notes. An inconvertible bank note is a paper tool of exchange which acknowledges on its face a debt to be due, which promises to pay it, but—mark this well—*no time is specified for the payment;* and for all such notes, although the coin is promised, *it cannot be obtained on demand.* Now, as before explained, a "convertible" note is not payment, but the payment of it in coin can be had for the asking. Thus such notes are properly held to be a fair exchange, as they guarantee to the seller that by their aid he can obtain coin on demand, or other goods equal in value to those he has sold; whereas a bank note *not payable* on demand supplies no such guarantee, and its value is based upon the assumption that the Government that issues it will not repudiate its liability—will pay some day; but it is not certain that it ever will be paid. How is it, then, that any one is willing to give away his property in exchange for such paper? Because the Government enacts a law compelling every creditor who has debited a buyer with a dollar or a pound to accept these notes as a full discharge of his debt. They endow these notes with the right of legal tender. They owe interest on the National Debt, and force the national creditors to take these notes as payment of the interest due. They purchase supplies, and persuade the contractors to supply them with goods by means of the knowledge that they will be able in turn to pass on these notes to all to whom they are indebted.

Another very important point is, that bank notes payable on demand come back upon the issuers; they only remain in circulation to the extent they are required. But with inconvertible notes there is no such machinery for adapting their number to the requirements of the public for them; once put out into circulation, they are always out, and so in course of time there is an excess of this paper money,

and an inevitable fall in its value as compared with the value of the coin which it acknowledges to be due. The supply of them is too great; many persons have more of them than they know what to do with; they become uneasy, and, to get rid of them, they are willing to part with them at a reduced value. Each fresh issue adds to the depreciation and to the disorder which it creates in all money transactions. The notes are worth less and less, and thus an inconvertible bank note is liable to the worst vice which a currency can possess—unsteadiness of value. The essence of a currency is, its giving a reliable assurance to a seller that he will be able to procure other goods of the same value as those he has given away. The "convertible" currency does this; the "inconvertible" deliberately corrupts and vitiates that assurance, and, like protection, adds unnecessarily and wantonly to the price to the consumer, as, the value of the notes being uncertain, the seller protects himself by adding the risk to the price of every article he sells. The more civilized a nation is, the greater the development of its trade; the larger the number of debts to be settled, and stipulated annuities to be paid, the more disastrous is the violence done to the currency, the more injurious its consequences to society. The essence of honour and good faith in contracts, as well as of trustworthy trade, is to give the value of the thing covenanted for. But the inconvertible paper note will not buy as much, as the dealers all ask a larger sum for their articles; the notes will not obtain so much value as before in exchange; and creditors, and, in fact, all parties with fixed sums to receive, landlords, annuitants, all with fixed incomes, find that a portion of their yearly income has been confiscated by the introduction of a paper money not payable on demand. The plea is necessity. What is the Government to do? Why, choose the lesser of two evils; levy the heaviest amount of taxes the nation can bear, and borrow upon interest or annuities the residue upon the best terms that are possible. Face the position, do not evade it by floating a false money—a lie, a fraud, that robs creditors of the individual and the State; that harasses trade and every exchange between man and man, damaging the national credit, and putting forth an unsound currency, that persecutes society, and poisons every sale as the days roll on, affecting every individual, as all more or less buy, distribute, *exchange* daily.

The advocates of an "inconvertible paper currency" argue as if there cannot be too much money. Men are never taught what money is, have yet to learn the alphabet of currency, that money is but a tool, a medium that affects second-hand the exchange of goods. It is not the money which really buys; money is only the instrument used in buying. "It is the property with which money

is itself bought that buys." Buying is only exchanging goods: to sell for money is only double barter in the place of single barter. Money does not directly produce a single particle of wealth, nor create any additional power of buying, which would not exist without it. By simple barter, you exchange the hat you have made with the shoemaker for shoes; by double barter, you exchange the hat for money, and by its agency buy what you like and when you like to its value. But the power of purchase, you will perceive, depends upon the hats and shoes; these are the real wealth, the power, that enables men to purchase money. Money cannot, does not, increase trade; it enables large transactions, all exchange of property, to be made more easily; but without coin or notes, the goods made, all property, would be exchanged; people would buy and sell just the same. Gold is useful as currency, so we pay miners for it; but we give real wealth, our produce and manufactured goods, for an article supposed to be of the same value; but it is not so. If we could do without it, the miners and others employed in getting it would be employed in producing real wealth instead of artificial. You will also hear people argue that it is a good thing to have a National Debt, forgetting that the debt implies a national indebtedness to pay so many people yearly an amount of money that enables them to obtain so much produce or manufactured goods without doing anything that helps towards the production of the same. There is only one way for a nation to be wealthy: its people must work, mentally and bodily—be thrifty and thoughtful. The National Debt, by giving a large number of people the right to live without labour—*upon the labour, therefore, of others*—is a national curse; as are all monopolies, taxes, restrictions of all and every kind that stop the growth of produce, the development of manufacture. The more goods a people can make, the cheaper must the same be to the consumer; the more goods the money will procure, the greater will be the demand. Upon this, and this only—the power of the consumer to purchase, and his right thereto being based upon his helping in the general work—can trade be healthfully developed and increased. Men must learn that it is what they produce which gives them the power to buy; and the Currency Act must be so framed that men will not be thwarted and paralyzed in their endeavours, for fear of not getting enough of the medium of exchange. Briefly, it is imperative that our manufacturers and merchants have the faith that "money" can always be had if they have the necessary securities to buy it with; and that our bankers should comprehend that in times of crises they should be "more liberal" towards their regular customers, instead of, as heretofore, pursuing the opposite policy.

BILLS OF EXCHANGE.

A BILL of exchange is legally described as "an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand, or at a fixed or determinable future time, a certain sum in money to, or to the order of, a specified person or to bearer." The following is the usual form:—

LONDON, *January 1st, 1883*, due *April 4th.*

£100 0s. 0d.

Accepted Payable at the Union Bank. C. D.

Three Months after date, pay to my Order the sum of One Hundred Pounds,

For value received.

To C. D., A. B.

1, ST. PAUL'S CHURCHYARD, E.C.

Bills of exchange are mercantile documents that appear to have been in use from the earliest times; Tyre, Carthage, Athens, Syracuse, and Alexandria, were acquainted with them in some form. They arise so naturally out of the circumstances of mercantile intercourse, that recourse to them is inevitable wherever much trade is carried on. There are inland and foreign bills. An inland bill is a bill which is, or on the face of it purports to be, both drawn and payable within the British Islands upon some person resident therein. Any other bill is a foreign bill. The bill may be drawn for so many days, weeks, or months, either after the date of the bill or after sight. This latter is often misunderstood, and holders keep the bills the thirty or sixty days before presenting them. After sight means the thirty or sixty days after the bill has been seen and accepted by the banker or person upon whom it is drawn. All bills, to be legally negotiable, need the word "accepted," and if drawn after sight, the acceptor also writes the date of the acceptance.

Many manufacturers and merchants lose a "day's interest" on large sums under the erroneous impression that a bill must not be dated the "first," if the first of the month be a Sunday. For the

guidance of such cautious persons, I quote from the Bills of Exchange Act, 1882, section 13: "When a bill or an acceptance or any endorsement on a bill is dated, the date shall, unless the contrary be proved, be deemed to be the true date of the drawing, acceptance, or endorsement, as the case may be. *A bill is not invalid by reason only that it is ante-dated, or post-dated, or that it bear date on a Sunday.*" Where a bill is not payable on demand, there are three days, called days of grace, added to the time of payment as fixed by the bill, and the bill is due and payable on the last day of grace, provided that "when the last day of grace falls on Sunday, Christmas Day, Good Friday, or a day appointed by royal proclamation as a public fast or thanksgiving day, the bill is, except in the case hereinafter provided for, due and payable on the *preceding* business day. When the last day of grace is a bank holiday (other than Christmas Day or Good Friday) under the Bank Holidays Act, 1871, and Acts amending or extending it, or when the last day of grace is a Sunday and the second day of grace is a bank holiday, the bill is due and payable on the *succeeding* business day."

The great value of bills is their proof of indebtedness. Sections 27 and 28 explain clearly the legal position of the holder of a bill of exchange: "When value has at any time been given for a bill, the holder is deemed to be a holder for value as regards the acceptor and all parties to the bill who became parties prior to such time. An accommodation party is liable on the bill to a holder for value; and it is immaterial whether, when such holder took the bill, he knew such party to be an accommodation party or not."

Bills payable after sight must be presented for acceptance within a reasonable time, or the drawer and all endorsers prior to the holder are discharged from all liability. Bills should always be presented on the day they fall due; the fact that the holder has reason to believe that the bill, on presentment, will be dishonoured, does not excuse presentment. "Where an inland bill has been dishonoured, it may, if the holder think fit, be noted for non-acceptance or non-payment, as the case may be; but it shall not be necessary to note or protest such bills in order to preserve the recourse against the drawer or endorser." It is always the safer course to have bills noted, but the "notarial charges" are most exorbitant, and should be revised. The scale may have been justifiable when made, but the facilities for getting about are very different to what they were, and charges based on cab-fares from the Bank of England, no matter where the holder of the bill lives, or where it may be payable, are as absurd as they are unjust; in many cases, on a paltry bill of £10 or £20, the charges are 7s. 6d. When a bill is dishonoured, notice should at once be given by or on

behalf of the holder, or by or on behalf of an endorser who, at the time of giving it, is himself liable on the bill. "Where the notice is given by or on behalf of the holder, it enures for the benefit of all subsequent holders and all prior endorsers who have a right of recourse against the party to whom it is given." When a bill is dishonoured, "the holder may recover from any party liable on the bill, and the drawer who has been compelled to pay the bill may recover from the acceptor, and an endorser who has been compelled to pay the bill may recover from the acceptor, or from the drawer, or from a prior endorser, the amount of the bill; interest thereon from the time of presentment for payment if the bill is payable on demand, and from the maturity of the bill in any other case; the expenses of noting, or, when protest is necessary and the protest has been extended, the expenses of protest." "When a bill has been lost before it is overdue, the person who was the holder of it may apply to the drawer to give him another bill of the same tenour, giving security to the drawer, if required, to indemnify him against all persons whatsoever in case the bill alleged to have been lost shall be found again. If the drawer, on request, as aforesaid, refuses to give such duplicate bill, he may be compelled to do so."

The provisions of the Bills of Exchange Act, 1882, with a few modifications, apply to promissory notes. "A promissory note is an unconditional promise in writing made by one person to another, signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a certain sum in money to, or to the order of, a specified person, or to bearer." "A promissory note may be made by two or more makers, and they may be liable thereon jointly, or jointly and severally, according to its tenour."

The usual form is as follows:—

£100 0s. 0d. LONDON, *January 1st, 1883.*

On demand, I promise to pay E. F., or Order, the sum of One Hundred Pounds,

For value received.

A. B.

Or—

£100 0s. 0d. LONDON, *January 1st, 1883,* due *April 4th.*

Three Months after date, we jointly and severally promise to pay E. F., or Order, the sum of One Hundred Pounds,

For value received.

A. B.
C. D.

Legally, "a cheque is a bill of exchange drawn on a banker, pay-

able on demand," and with a few exceptions, the provisions of the Act applicable to a bill of exchange payable on demand, apply to a cheque. A banker may refuse to pay a cheque if the drawer "countermands its payment," or if he has had "notice of the drawer's death." Two parallel transverse lines simply, either with or without the words "not negotiable," or with the words "and Company," or any abbreviation thereof, within the two lines, constitutes a "crossed cheque," if, with the name of a banker, the cheque is crossed specially, and is payable to that banker only. When a cheque is crossed generally, the holder may cross it specially; if uncrossed, the holder may cross it generally or specially. The crossing is a material part of the cheque; and it is "not lawful for any person to obliterate or, except as authorized by the Act, to add to or alter the crossing." "When a cheque is crossed specially to more than one banker, except when crossed to an agent for collection being a banker, the banker on whom it is drawn shall refuse payment thereof. When the banker on whom a cheque is drawn which is so crossed, nevertheless pays the same, or pays a cheque crossed generally otherwise than to a banker, or, if crossed specially, otherwise than to the banker to whom it is crossed, or his agent for collection being a banker, he is liable to the true owner of the cheque for any loss he may sustain owing to the cheque having been paid; provided that when a cheque is presented for payment which does not at the time of presentment appear to be crossed, or to have had a crossing which has been obliterated, or to have been added to or altered otherwise than as authorized by this Act, the banker paying the cheque in good faith and without negligence, shall not be responsible or incur any liability, nor shall the payment be questioned by reason of the cheque having been crossed, or of the crossing having been obliterated or having been added to or altered otherwise than as authorized by this Act, and of payment having been made otherwise than to a banker, or to the banker to whom the cheque is or was crossed, or to his agent for collection being a banker, as the case may be."

The person who draws a bill is called the drawer; the person on whom it is drawn is called the drawee. After the bill is accepted the drawee is called the acceptor. The drawer of the bill, if he wants his banker to present the same for him, or if he wants to discount a bill, writes his name on the back thereof, or endorses it, as it is called. Bills are often endorsed by a third party, as security for their payment, if the acceptor fails to honour the bill when due. The party who endorses a bill is called the endorser; the party to whom it is endorsed is the endorsee. The person who pays a bill is the payer; the person to whom it is paid is the payee.

The best and only legitimate bills of exchange are those drawn by producers or manufacturers upon wholesale dealers, the second best are those drawn by wholesale dealers upon retail dealers. Bankers should confine their operations to the above; there should be no encouragement given to retail dealers to draw bills upon consumers. To discount these bills is to encourage extravagance in the acceptors and, ultimately, ruin to the drawers. The man who gives a bill to his butcher, baker, tailor, upholsterer, must be living beyond his income. The man who buys the necessaries of life upon credit, relying on his dividends or rents, is improvident; the man who buys the necessaries of life, relying upon his future earnings, is a thief, as he may die at any hour, and has no moral right to incur debts the liquidation of which depends not only upon his living, but being able to earn his living. There are bills also given in anticipation of salaries or rents; if these are against value, they should be discouraged; persons out of trade have no business with bills. Accommodation bills ought always to be refused by a banker; they are a fraud; "lie" is upon their face, for value received written thereon is an untruth. A. B. has accepted to oblige C. D., but no real value is represented; the bill is not what it professes to be—an acknowledgment of a debt—and the bill given that C. D. may transfer a debt due by A. B. to his banker. Bills of exchange are invaluable in commerce; the knowledge of large payments in gold at fixed periods, monthly settlements, bills to meet on the 4th, &c., would be more than the nerves of ordinary men could bear, were it not lessened by the fact that they hold so much paper in their bill-boxes that their bankers will discount for them if needed. Therefore, all commercial men should strive to keep their paper above suspicion. Bills are the best and cheapest means of transferring money from one place to another. Bills of exchange are a legitimate and useful means of borrowing, and a handy means of security for bankers to lend upon; but it is most important that they be genuine, and be what in reality they are, a system of hypothecation—viz.: A (the trader) having £1,000 owing to him by B, and B not being able to pay it at the time, and A wanting the money at once, draws a bill upon B, and the bankers believing in the genuineness of the bill, that it is a debt for goods sold and delivered, discount the paper, and the right of receiving the debt of B is transferred to them by A, it being understood A has to pay if B fails to.

Another ingenious expedient is that of A having consigned certain bales of merchandise to B, draws upon him at sight, or so many days after sight, and by depositing with a banker the bills of lading, policy of insurance, and bills of exchange, the banker advances

him the money, and his agents collect the debt or receive payment of the bills drawn on the consignee. This is a very useful arrangement, and if bankers would only exercise the proper caution, have all invoices signed by the principals, and only undertake to *collect* the debt—that is, to hold the bills of lading and other documents until the bills are paid; or, if they advance the money to consignor, keep rigidly to "two-thirds" of the value, protecting themselves, as at present, with letters empowering them to sell before the bills mature in case of insolvency of consignee—to act, in fact, as if themselves the direct consignors, but with power to sue the real consignors for any deficiency, or to appropriate any excess,—the system would be a national benefit. But their laxity in making too large advances has been the means of introducing into the "shipping" trade the reckless, unscrupulous adventurers we have heard so much of the last ten years,—men who are not in a position to pay if their customers fail to do so, or to bear the losses consequent upon a forced realization of the merchandise, too often recklessly consigned because of the facilities of borrowing upon the bills of lading, &c. Then follow commercial disasters and social shipwreck. So, instead of recommending an extension of credit, or an increase of fictitious money, I advocate more strict adherence to legitimate, sound trading and banking, and the discouragement of all the ingenious shifts and contrivances by which speculators and needy men try, by means of the *shadow*, *paper*, to take a position or do the trade justified only by the presence of the *substance*, *gold*.

Bills fix the period for the payment of debts, and in case of litigation they afford an easy proof of the debt. Many otherwise good business men will have no scruple in putting off tradesmen to whom they owe money, and the creditors dare not be too pressing, for fear of giving offence; hence the time of payment is uncertain. This is one of the greatest evils not only in the retail but the wholesale trade. With the consuming class, the time may not be ripe for insisting upon *fixed* days of payment; but in the wholesale trade, a bill or cheque upon a fixed settling day every month, or the month when an account is due, should be strictly enforced, or the account at once closed. But you will perceive the value of bills; a trader will meet his bills who has no hesitancy and thinks it not derogatory to his credit to keep putting you off with one excuse or the other upon an open account. It is surprising how even professedly religious men fail to see the dishonesty of thus depriving their creditors of the use of their money. Traders in good position will tell you they have been buying houses or shares; therefore you must wait. The inconvenience to you is never thought of, or apologised for; in fact, it is the most pain-

ful experience to a trader with an active conscientiousness; this laxity of morals, this ignoring the rights of others, being done by men for gain, not from necessity. We need *all men* to perceive clearly that any man who fails to pay his debt on the day when it is due, whether accepted for or not, is, unless he pays interest—which is rarely, if ever, done, and is not allowed by law on open accounts—deriving an advantage at the expense of his creditor—an advantage which, in my opinion, no really honest man should take. If a man dishonours his acceptance, his character is stamped at once in the commercial world as being either very poor, very negligent, or very unprincipled, and at no future time will he be able so easily to raise money upon the credit of his name. I see no reason why the same opinion should not be generally entertained by those who fail to keep their word in paying their debts at the time agreed upon; and if it was generally understood that the same stigma would attach to the failing to keep the verbal promise as the written bond, the means would have been taken to destroy the worst feature of our credit system.

We have to overcome in the public mind a feeling of prejudice respecting bills of exchange. Many experienced traders refuse to accept, others boast they never accepted a bill; but if you regard your word as your bond, what difference does it make to you if, not being able to pay my debt when it is due for discount, you give me a bill instead? By means of bills a trader can carry on a larger business with the same capital. For instance, you owe me £100, but cannot pay; if you refuse to accept a bill, the loss of this £100 will seriously interfere with my payments, damage my credit, prevent my buying stock, and thereby check my trade; but if you accept the bill for the amount you owe me, I send it to my banker; he, having faith in me, places the amount to my credit, and the bill is to me as useful as the cash would have been—in fact, you give me a lawful, recognized medium by which others will supply me with the gold that temporarily you cannot pay me. Some tradesmen pay their debts with customers' bills—a habit that should not be encouraged. All bills should go to bankers; it is their business to discount the same. If you owe me a debt, you should pay me in money, or give me your acceptance for the amount. In business bills are invaluable to tradesmen, and they set in motion what would otherwise be large sums of locked-up capital; they also enable men to go into business who otherwise would be debarred therefrom, as to give credit without drawing bills would require much larger capital than the majority of traders possess. To give no credit would restrict one's business; by means of bills credit can be given, and the business extended, without any addition to the capital being required.

Bills are an easy way of giving a guarantee. A wants to borrow £100 of B, which the latter is in a position to lend, but not upon A's security alone; A, therefore, gets a friend either to join him in signing a promissory note for the sum needed, or in endorsing a bill of exchange. By this means B can assist A, and money might be often lent safely and advantageously, as B, in case of need, could re-discount the bill with his bankers.

Bankers by means of bills unconsciously transfer capital from the trade not wanting capital to the trade that does. Every branch of trade is liable to fluctuations, from an alteration in the proportions between the demand and the supply, and hence capital is continually undergoing a transfer from the production of those articles for which there is a less demand to the production of those articles for which there is a greater demand. So we hear from political economists of an average rate of profit in all trades, because by a natural law capital flows from, or ceases to be supplied to, those branches of trade where it is not remunerative, and finds its way to those other branches where it is wanted. Banking helps this natural law. A manufacturer does not leave his employment, or transfer his capital, but the manufacturer in the declining trade reduces his capital, while the manufacturer in the prosperous trade will augment his capital, and the transfer of capital from one trade to the other is effected chiefly by bills of exchange. For example, the manufacturer who is selling a less quantity of commodities will have fewer bills to discount with his banker, but the other manufacturer who is buying and selling a greater quantity of commodities will have more bills for discount. The banker, in the discount of commercial bills, thus easily transfers from one branch of commerce to another money or capital in exact proportion to the circumstances of the respective parties. Exchequer bills are promissory notes, or bills of credit issued by authority of Parliament. They are for various sums, and bear interest according to the current rate at the time. In 1696, when first issued, they bore interest at the rate of 3d. per diem on £100. During the Napoleonic wars the interest was 3½d. per diem. The Bank of England advances money to the Government by means of these bills. Exchequer bills pass from hand to hand as money, and are accepted by the Treasury at par, or by Government in payment of taxes.

Exchequer tallies were sticks of wood issued by our early kings as symbols of real money, on which were cut notches of different breadths indicating the amount it represented, which being split in half, one part was retained as a check against the other, when returned to, or recalled by the Exchequer.

BANK SHARES.

THE joint-stock banks of this country have been a most remarkable success. For their future prosperity, to retain the confidence of the "moneyed public," it should be understood that a banker's business is to use the "capital of others." The chief thing a banker has to do is to get indebted to others by borrowing their money, which money he lends to others, so that others may get indebted to him. A has a lot of money that he has no immediate use for; he lends it to his banker. B is in want of money; he applies to his banker to help him by discounting some trade bills, or advance him money on securities. Thus a banker is always indebted to others, and others are always indebted to him. A tradesman is in debt for goods, bankers are in debt for money. "Banks are nothing but debt shops, and the Royal Exchange is the great debt market of Europe" (MACLEOD). It is a business in which the capital of the proprietors is used, not to work the business, but to *guarantee* the business. It is only wanted as a "moral influence." There is a time for all things. Whilst the idea was a new one, joint-stock banking needed from the public, "confidence," without which banks cannot prosper; and the unlimited liability of each shareholder was then necessary; but unlimited liability has done its work, and after the terrible catastrophe of the City of Glasgow Bank, no sensible man of property would continue to hold any shares in an "unlimited bank." Think for a moment what profit can compensate for the possibility of ruin at any moment. Who would incur the risk? "Only men of no property," an inferior class of shareholders; whereas in banking companies we need the very best class that can be had. To get the best class of investors, the liability must be positive, and the rate of interest will be in accordance therewith; the liability upon each share in banks must be "limited." But as regards the issue of notes, until an alteration be made in the method of issue, there must be no limitation of liability here, or you damage the value of notes as a medium of exchange. Currency must be kept above all suspicion; therefore the holder of a note of a bank that fails should come in with the other creditors as regards the general assets, but have the right of a secured creditor against the shareholders for the

residue. The reason, you will perceive, is obvious. A trader is almost compelled to take a note if offered. Notes are valueless unless they circulate; to insure their circulation, needs confidence; to give this, there must be security. But a man who takes and buys shares, or has a current or deposit account, acts upon his own free-will, for certain advantages to himself, and must take the responsibility with the benefits.

Banking being the agency between lenders and borrowers of wealth, it is essential to our prosperity; and, therefore, imperative upon us, as a "practical people," to make the investing in "bank shares" less risky than it is. The large profits to the original shareholders of the leading joint-stock banks may justify incurring the liability as a speculative investment; but in considering this question we have to remember that the market price of these banks at the present time only gives 4½ to 6 per cent. to the present investors; and no sensible man of any responsibility will for such remuneration put such a liability on his shoulders—a liability that may utterly ruin him at any moment. Therefore, I would substitute a "positive" for an unlimited liability. In the new edition of "Business," 1879, before the Chancellor of the Exchequer brought forward his plan of multiple share value, I had advocated that all the shares be fully paid up, and that each shareholder be liable for a similar fixed sum; and instead of "reserve liability," as reserve might imply any sum, I wrote to the Chancellor of the Exchequer that my book had been in the printer's hands two months, and that therein I had advocated "double liability;" as the public, knowing that "limited" meant liability to the value of the shares, "double" would imply double the value of the shares, and that would indicate to the shareholder his responsibility, and to the public its security. In 1879 the law was amended; some of the banks have become "limited;" and it is satisfactory to find, end of the year 1880, that Mr. Huth, Chairman at the meeting of the London and Westminster Bank for the half-year ending December 31, 1880, stated that the deposits were £1,500,000 more than at June 30, 1880, that the half-year's dividend was 9 per cent., against 7½ per cent. same half-year of 1879; that new accounts had been opened, and the list of shareholders been much strengthened by the entrance into it of persons of wealth and standing, who had kept away so long as the liability of shareholders was unlimited. The object of legislation should be to encourage the better class of investors—intelligent men who can understand a balance-sheet, and competent to ask questions at the half-yearly meetings—prudent men willing to incur a *fixed* amount

of responsibility, but refusing to saddle themselves with a liability that means "ruin" if an incompetent or unprincipled man be manager of the bank.

"Unlimited" liability has done its work, and after the terrible catastrophe of the City of Glasgow Bank, the public are prepared to be disabused of the popular idea that a banker is a capitalist, and that their security depends upon the amount of his capital; and they now perceive that what is most essential is having, as managers, practical business men—men of large perceptive power, good sound common sense, and of high moral character. A banker is very useful; no one person has it in his power to do more good or harm to the country's welfare; he takes of A his surplus cash and lends it to B, but he has the option, and on his judgment rests the responsibility, of selecting the parties who will use, for good or evil, the wealth entrusted to him. If he acts wisely, the nation prospers, the shareholders receive good dividends; if not, legitimate industry is checked, and the shareholders ruined. For a time security will be thought more of, but very soon the struggle will be commenced again to pay 16, 18, 20 per cent., which is secured through the small amount of capital in proportion to the money held of depositors. But the managers know very well, if the price of their shares recede, the public begin to have a feeling of distrust, and so the struggle to pay 16, 18, 20 per cent. is in reality a struggle to pay *5 per cent.* upon the market value of the shares. The large dividend is fallacious, as the price of bank shares, so long as they are considered safe investments, will rise in the market to a price that pays investors the current rate of interest for a similar class of securities. But how prudent, responsible men can invest in these shares, and take upon their shoulders an unlimited amount of responsibility, has always been a puzzle to me, as there are plenty of ways to invest money and obtain as large a rate of interest as can be had on the market value of any bank shares without incurring a responsibility that no prudent man should undertake. To remedy this, I would suggest that the full amount of every share be paid, and that every shareholder be liable for a similar sum until twelve months after his disposal of the same. The public are familiar with the terms "limited liability"—viz., value of share—so I propose that all unlimited banks should have the privilege to become "double liability banks," the word "double" telling the depositor his amount of security, the shareholder his risk. For example, instead of, as now, £100 share, £20 only paid, and an unlimited liability, there should be no bank shares under £100; the full amount to

be paid upon allotment or purchase, and the buyer to incur a similar amount of responsibility for each share until twelve months after he has sold the same. This would prevent shares being held by, or handed over to, men of no means; the depositor would know the value of his security, the shareholder the amount of his responsibility. For any shareholder to incur "unlimited" liability is wrong, and should be remedied at once; and if people were wise, they would not run after the bank or anything else that pays the *largest* dividend. No individual, bank, or company has the power to make legitimately more than a certain rate of interest without incurring corresponding risks. What is the use of a system like the present one, which, when it has to be acted upon, elicits sympathy for the shareholders instead of the depositors, who have trusted their moneys at a low rate of interest upon the understanding that they are to be paid so long as a single shareholder has anything to pay them with? Let us have a system that will work, and which will create no false feeling of security in the public mind; so that depositors, customers, and shareholders will be on the alert, wanting full particulars of how the money is used, if the securities are real, and the balance-sheets genuine documents.

Bankers being the medium for taking money of A and lending the same to B, so long as a bank can use the same profitably and safely, it would be very unwise to shareholders and depositors not to take it; but when bankers have more money by them than can be safely or profitably invested, the only course open is to refuse to receive any more at *interest* until the same is wanted, or to take it at long notice—thirty, sixty, or ninety days—so that the same may be invested in other securities. Interest on minimum balances of current accounts bankers ought not to allow; as such balances may all be drawn out at *any moment*, the banker is, or ought to be, prepared to pay the same, and not being able to invest it, he ought not to be expected to pay for the use of it. Something must be done to give the public a greater *confidence* than is felt under the present system. At the slightest rumour, there is a rush for money; the bank has to realize its investments to meet the extra demand, and its shares fall in a few days sufficient to ruin those panic-stricken shareholders who have been so anxious to realize. If the shareholder knew he would not be free of his liability for twelve months after disposing of his shares, he would not be so ready, at the slightest Stock Exchange rumour, to sell out. This in times of panic or distrust would act as a safety-valve, for depositors rush to withdraw their money principally through seeing the daily downward tendency of the price of the

shares. Money may be carefully, safely, and profitably invested by banks, yet not be all realizable at a day's or week's notice without a fearful loss. If really necessary, there would be some reason for this pressure, but there never is. The money withdrawn is *not* wanted; the money realized by the sale of shares lies idle; the panic-stricken victim sold out through a morbid state of caution, and is in such a condition of distrust that he is afraid to invest in anything except Consols.

The liquidation of the City of Glasgow Bank has been most disastrous, and is a warning to all shareholders in "unlimited banks." It has taken four years, and the liquidator's report is a sad one; £6,000,000 sterling was required to make up the deficiency, which means that every shareholder was called upon to pay £700 for each £100 of stock. The total stock held by the public was £846,000, and holders of £757,000 paid upon the average £465 for each £100, and were ruined. The richer shareholders, holding £89,000 stock, were compelled to make up the difference, and for each £100 stock they held they had to pay £2,750. It should be a warning. Let us hope there will be no recurrence of failures like that of the City of Glasgow Bank, which involved so many in utter ruin, through the result of stupidly trying to conceal gross mismanagement, which inevitably ends in fraud, and has caused a distrust by the people of all banks. The law should be clearly defined, that any managers, or directors, or bodies of directors, are acting criminally if they omit to disclose, or in any way conceal, any bad investment or leakage, however good their intentions to carry on under the hope and expectation that the vessel may ultimately reach calmer waters and right herself in a smoother sea. The position of manager and director of a bank, or any "limited" or "unlimited" company, is one of great trust, and should be regarded as a post of honour, bearing with it a corresponding punishment in case of default. Above all things, they must be candid and honest, giving the fullest particulars to the shareholders, and not, by hiding something under the chance of recovering it, delude A to buy shares upon the faith of the balance-sheet, and thus to shift the burden of loss from B to A. The law should allow no excuse by managers and directors, or bankrupts, for making a deliberate statement they know to be false; such acts are criminal, and the punishment ought to be increased to correspond with the very serious consequences caused to people in general by them.

The different parts of the balance-sheet should be checked and vouched for by those of the directors who have examined the same, and who should be held criminally liable for any mis statements

therein, or omissions with intention to deceive. There must be at the head of the bank an efficient and responsible body of directors, working in conjunction with the head manager. But there should be confidence or no confidence. All the suggestions that banks are not to do this, that, or the other, are impracticable; supply and demand must rule with banks as with others. They make their interest and pay their expenses by lending money, and it must be left absolutely to the discretion of the head manager and directors to lend the money at their disposal as in their judgment seems best. There are those who would confine all operations to bills of exchange, not to exceed three months. Why, at times (as the end of 1877, through 1878, early in 1879) there is a scarcity of bills offering to be discounted; what is your banker to do then? Keep his money in the till idle? Bills of exchange are the best medium for bankers to advance upon, as they are always running off and can be re-discounted in case of need; but it is equally safe to lend their customers' money on good, tangible security, as houses, freehold land, &c., upon loan or six months' bills, and might be made a more profitable source of investment than it is. Of course the present fear of a possible run at any moment limits such action; but I am assuming the cause of these periods of panic to be removed, by the liability being continuous, and the deposits received for longer periods. Directors and managers will err, all men do; but what we want, above all things, is to have correct and plain accounts half-yearly of what they have done. There should be no concealment; if there be a profit, let us know how it is made; if a loss, let it be frankly stated, and the reason why be equally clear.

Professional audits are useful, but not much security; they certify, "Bills discounted, so much; advances to customers, so much;" but whether the bills are good, or the securities adequate to the advance, no accountant could tell. I defy any man to judge of a balance-sheet, whether of banker, manufacturer, or merchant; it all depends on the *principal* who has put a value on the assets. You must rely on the conscientiousness of debtor, director, or manager. The policy is to select more carefully, and pay more liberally, the managers and directors; but *they* must really *work*, and see that the rules of good banking are carefully observed, know better the position of the men they lend money to, what every borrower owes, and what he has deposited against the loan. The manager of the head office should be a man of the highest moral and intellectual character, and be able to supply all details necessary to enable the directors to check the accounts.

The liability of directors and manager should be "unlimited."

They have great power, and it is not in human nature to guard borrowed money with the same vigilance as money obtained by one's own incessant, self-denying, hard work. The only plan is to let those who have the power take the responsibility for all they possess; so that they confine themselves to legitimate banking, and be not tempted to things best left alone. Their position is this, for a margin of 1 per cent. to 2 per cent., or, for large sums, half per cent. to 1 per cent., to find for their thousands of customers the prudence, caution, and common sense which in many cases the customers ought to find, and it would be better for all parties that they found, for themselves. Men must act for themselves more, and cease to regard joint-stock banks as a kind of central financial providence.

M. Thiers has well defined responsibility in sketching the qualities necessary for success in war, and brings vividly before his readers the tremendous issues that hang, moment by moment, upon the genius, the strength of will, the promptness, and the presence of mind needed in a general on a day of battle. Bankers and bank managers need all the qualities except genius for their positions, and have daily need of all other qualities necessary to a great general. If war has her reverses and defeats, so has peace; and there are none equal to the carnage caused by incompetent bank managers. Their position is one of unlimited responsibility. They have the power to do immense benefit, and to do it, if they have the requisite capacity, by the rules of good banking, sound finance; and they also have the power to bring forth the horrors that follow false and guilty finance, unsound banking, as with the City of Glasgow Bank, the West of England Bank, &c., and thereby prostrate thousands of families in ruinous, hopeless misery worse than death. Shareholders must be more vigilant. The manager of one of the large banks has the control of millions; and there is more probability of mistakes being made, that, if not rectified or stopped, will be ruinous, than there is of a manager committing a fraud. But errors of judgment, the mistakes of a sanguine manager, are far more to be dreaded than the theft of a dishonest manager. Commerce needs energy and enterprise; but banking is simple, steady-going, and cautious. "There is no more unsafe government for a bank," says Mr. Bagehot, "than that of an eager and active manager, subject only to the supervision of a numerous board of directors, even though that board be excellent; for the manager may easily glide into dangerous and insecure transactions, nor can the board effectually check him." Banking is a very peculiar business, and it depends so much upon credit, the confidence of its depositors, &c., that the least blast of suspicion is sufficient to sweep away, as it were, the harvest of a whole year. Great vigilance is

needed, and there is great anxiety. They have very large sums to employ, yet are expected to be ready at all times to pay; so are compelled to restrict their advances to such securities as are available in case of need—"negotiable" securities, as they are termed. It is a terrible responsibility to feel that, whether weakly or wickedly, you have led the shareholders and depositors who have trusted to you along the road to ruin. The law should be clearly defined as to the personal responsibility of managers and directors of all joint-stock companies. Their position is one of great trust; their duties should be well remunerated; but any deception, such as a false balance-sheet, should be punished criminally.

For investors, shares in "limited banks" are as safe as railway shares; but discretion is required which bank shares to buy, also when to buy. With banking, as in other businesses, there are times of depression and loss, and those intending to purchase bank shares should take advantage of such times to purchase shares. It is said that, taking the amount of capital invested, and the profits which have been derived from mining, no form of investment will be found to have made greater aggregate returns. But too much technical knowledge, care, and discretion are needed, in my opinion, for any one rashly to sink their money therein; in fact, all such speculative, uncertainly-productive investments should be avoided, except by those who make a business of investment and may be able to judge of the comparative merits of the different mines. "No outside investor can do this, and should avoid all such investments, however temptingly placed before him." It may be laid down as a general rule, only the "specialist" can tell in most of these undertakings the exact moment to purchase, or who understands the movements which foretell a rise or fall in certain directions; so to investors generally my advice is, keep to mortgages on freehold land, freehold or long leasehold houses, houses in good neighbourhoods, railway debentures, omnibus shares, Home Government stock, Colonial Government securities—interest guaranteed by the Home Government. You may get less interest, but your principal is safe, and you are free from the perpetual anxiety arising from the fluctuation of the money and share market. To those of my readers who will speculate I will say, act only upon the soundest information. The market prices for the day are for the most part governed by the immediate supply and demand, and the operations of speculators gambling upon a rise or fall, and not by any means on the *bonâ fide* merits of the properties. Never sell in times of crises. There is always a reaction. "Wait!" If you do anything during a panic—when things seem at their worst—"buy."

BANKING.

THE term "bank" implies a place of deposit of money. Banks, like most commercial institutions, originated in Italy, where, in the infancy of European commerce, the Jews were wont to assemble in the market-places of the principal towns, seated on benches, ready to lend money; and the term *bank* is derived from the Italian word, *banco* (bench). The Bank of Venice is said to have been established as early as 1171, during the Crusades, and for the purpose of rendering assistance to those expeditions. But Sir John Lubbock, in the *Nineteenth Century* for November, 1879, states that the "earliest bank was that of Barcelona, founded in 1401, the Bank of Venice not having received money on deposit before 1587, and the Bank of Genoa not having done genuine banking business until 1675." The Bank of Venice continued in operation until the dissolution of the Venetian Republic in 1798.

The Bank of Amsterdam was founded in the year 1609. It was occasioned by the vast quantity of worn and clipped coin then in circulation, in consequence of which the value of the currency was reduced about 9 per cent. below that of good money fresh from the Mint. The Bank received these deficient coins at nearly their intrinsic value, and made all its issues in coin of the standard weight and fineness. At the same time, a law was made that all foreign bills of exchange should be paid in bank money. This law raised the value of bills on Holland in foreign countries, and compelled every merchant to keep an account at the Bank, in order that he might at all times have legal money to pay his foreign bills. The premium (called the agio) on bank money was regulated by the market price of gold, and was subject to considerable fluctuations. To prevent the gambling to which these fluctuations gave rise, the Bank at length determined to sell bank money for currency at 5 per cent. agio, and to buy it again at 4 per cent. From this and other sources of profit the Bank is supposed to have gained a considerable revenue. It was the entire property of the city of Amsterdam, and was placed under the direction of four burgomasters, who were changed every year.

The deposits of the Bank of Amsterdam were not intended to be

lent out either to Government or private borrowers, but were to remain in the coffers of the Bank. The temptation to make a profit of these idle deposits, however, ultimately became too great, and the managers lent them out secretly to the Government and the East India Company. At the time of the French Revolution, they were unable to make good their loans, and this breach of faith led to the fall of the institution. In 1824 the Bank of Amsterdam was superseded by that of the Netherlands, which is modelled on that of the Bank of England, and has the exclusive privilege of issuing notes.

The Bank of Amsterdam was the model on which were formed most of the European banks now in existence; but they have varied very considerably from each other, according to the circumstances of the respective countries in which they have been established. The Bank of England was established by an Act of Parliament entitled "An Act for granting to their Majesties several duties upon tonnage of ships and vessels, and upon beer, ale, and other liquors; for securing certain recompenses and advantages in the said Act mentioned to such persons as shall voluntarily advance the sum of £1,500,000 towards carrying on the war with France."

After a variety of enactments relative to the "duties upon tonnage of ships and vessels, and upon beer, ale, and other liquors," the Act authorizes the raising of £1,200,000 by voluntary subscription; the subscribers to be formed into a corporation, and be styled "The Governor and Company of the Bank of England." The sum of £300,000 was also to be raised by subscription, and the contributors to receive instead annuities for one, two, or three lives. Towards the £1,200,000 no one person was to subscribe more than £10,000 before the 1st day of July next ensuing, nor at any time more than £20,000. The corporation were to lend their whole capital to Government, for which they were to receive interest at the rate of 8 per cent. per annum, and £4,000 per annum for management, being £100,000 per annum in the whole. They were not allowed to borrow or owe more than the amount of their capital, and if they did so, the individual members became liable to the creditors in proportion to the amount of their stock. They were not to trade in any "goods, ware, or merchandise whatsoever," but they were allowed to deal in bills of exchange, gold or silver bullion, and to sell any goods, ware, or merchandise upon which they had advanced money, and which had not been redeemed within three months after the time agreed upon. The whole subscription having been filled in ten days, a charter was issued on the 27th day of July, 1694. This was the commencement of the world-famed Bank of England, than which there can be found no better evidence of the value of

credit: a Bank of England note, a mere bit of paper, yet received by every one, everywhere, in payment of debt as if it were gold itself, instead of a promise of a banking corporation to redeem it in gold when presented for payment! In the year 1826 branches of the Bank of England were established in the provinces. The country bankers were strongly opposed to these branches, and held public meetings at which resolutions were passed in condemnation of them, and in the year 1828 presented a memorial to the Government upon the subject. In 1826, joint-stock banks, with unlimited liability of shareholders, were permitted to be established at a greater distance than sixty-five miles from London; the object of the Act of 1826 being to promote the formation of these joint-stock banks, and thereby replace to a large extent the private country banks, of which so many had failed during the memorable panic of the winter of 1825-6. In 1833, by the 3 and 4 Wm. IV. c. 98, it was declared to be the law that joint-stock banks might be established in London.

The Bank of England is a grand and imposing place; its importance and its power is manifest: its exterior is like a fortress in the city of gold, only, unlike military fortresses, herein any one may enter who has the courage to do so, unchallenged. The chief entrance to the Bank of England is in Threadneedle Street. On either hand are the halls of the banking department of the establishment, and in front is the issue department. The portion of the banking department to the right, forming the entire eastern end of the Bank, is devoted to the management of the National Debt, where all transfers of Government stock are registered, and where periodical payment is made of the dividends. At each quarterly term these rooms are crowded by people of nearly all ranks and classes, many of them from the country, who come to get payment of their dividends, which vary in amount from several thousands sterling down to a single pound, or even less. The amount of work which this entails upon the Bank is greater than might be thought. Apart from the work of paying the dividends, the transfers of stock which the Bank has to register amount in the aggregate to the enormous sum of about £230,000,000 sterling a-year.

The following description of the Bank of England is from "The Economy of Capital," by R. H. Patterson:—

"To the left of the chief entrance we find the drawing offices—a long range of counters—one of which is devoted to public or Government business, and the other, and larger, to banks and private customers. In the former of these offices are paid in the moneys received by the Government in payment of revenue, while the Government salaries and other expenses are paid out. This portion

of the banking department forms two sides of an oblong court, once the little churchyard of St. Christopher-le-Stocks, in which is an elegant parterre, with some healthy trees and shrubs, and an ever-flowing convolvulus-shaped fountain, which is supplied by a well. Looking into this elegant court from the north is the grand court-room of the Bank, where the directors meet in council every Thursday, and publish those announcements of change in the rate of discount which set a-palpitating the city of gold, and sometimes also the whole country. Adjoining is the committee-room, where three directors attend daily to supervise the business of the Bank, seldom alone; for other directors generally drop in, animated by a love of business, and attracted also by the excellent lunch which daily makes its appearance at one o'clock.

"A large portion of the Bank's business makes little show. The discounting of bills is the most important part of the daily operations, but, very properly, these operations are hidden from view. A man who has a 'discount account' with the Bank, and who wishes to cash certain bills in his possession, drops them in the morning into places like letter-boxes, and returns in the afternoon to learn the fate of his application. Ordinarily, the bills are discounted, as a matter of course; but in ticklish times—and these are the very occasions when money is most needed by the trader—many a heart palpitates as its owner awaits the decision of the Bank parlour. But still larger issues are occasionally at stake, when the representatives of great firms are ushered into the court, and explain the state of their affairs with a view to obtain exceptional assistance in order to tide over some great but temporary embarrassment.

"Let us now see the other great divisions of the Bank. The issue department: Leaving behind us the first court which we entered from Threadneedle Street, with its red-mantled porters, and the detective in plain clothes who seems to idle his time over a newspaper in the doorway, we ascend half-a-dozen broad steps, and enter a hall where persons are getting notes exchanged for gold, or gold for notes, or notes for others of equal value. This is a public office open to all, whether customers of the Bank or strangers. The chief applicants here are people who wish to exchange their notes for coin; and as these notes are handed in, their genuineness is carefully ascertained by an elaborate but rapid process of scrutiny. In the north-western corner of the building, if you are provided with an order, you may see the manufacture, or printing, of the notes; and in another room, you may inspect the stock of cancelled notes, which are preserved for ten years after being returned to the Bank. Thus, as in the printing office,

there is always a stock of unfinished notes, still wanting the date, number, and signature; you may see the notes in embryo, as it were, before they are born, and also after they have been long dead.

"In the centre of the issue department, and in the very heart of the Bank, you come into a glass-roofed court; and standing on the landing-place of a flight of steps which leads down into it, you see below you men engaged in packing or unpacking the precious metals, conveying them into the vaults of the bullion office, or sending them away in vans. There you may see the precious ores in boxes as they come from the mines, or returning from the bank refiners in glittering ingots; the silver in blocks almost as large as a common brick, and the gold of similar shape, but only about an inch in depth; and finally, you may see them returning from the Mint in the shape of coin packed in strong boxes. The packers toss about the ingots, or fill with bags of coin the iron-bound boxes, with an equanimity of indifference which seems strange to on-lookers, who have never seen the precious metals in quantity. The bullion vaults, as might be expected, are exceedingly strong chambers, and a guard of soldiers and policemen nightly keep sentry over the golden treasure.

"For the coin and bullion thus brought to it, the Bank pays either in its notes, or, as is generally the case, simply by placing the amount to the account of the depositors. Thereafter the coin or bullion no longer belongs especially to the depositor, but equally to every one who keeps an account at the Bank, or who holds any of its notes.

"The Bank is bound to give gold for all its notes on demand, and also, although this is utterly impossible, to pay all its deposits likewise in gold; but the persons who brought the gold have no other claim upon the Bank's stock of the precious metal than that which is common to all the note-holders and depositors alike. The gold has been sold to the Bank; and thereafter any one who has an account with the Bank, or who holds some of its notes, may draw upon its stock of gold at his pleasure.

"As you lean over the brass-topped balustrade, looking at the coming and the going of the precious ore, you witness operations which affect the whole business of the Bank, and to a great extent also the whole trade and industry of the country. Every van-load of gold which enters or leaves that court causes a rise or fall in the value of money, by increasing or diminishing the amount of currency available for the requirements of the community. The reason of this is not obvious, but it is easily explained.

"The Bank is authorized by Act of Parliament to issue notes to the amount of £14,500,000 sterling (£14,650,000) upon an equal amount of Government securities which it holds; besides this, it is

entitled to issue an amount of notes corresponding to the value of the gold which happens to be in its vaults. Hence the amount of money in this country is constantly varying. When much gold is deposited in the Bank, the currency is increased; when little gold is deposited in the Bank, the currency is diminished. What is of more consequence, the value of money on loan, the rate of discount, is affected to a still greater extent by every variation in the stock of gold in the Bank's vaults. It is this latter process which invests with such critical importance the entrance or exit of the gold-laden vans through the gates of the Bank of England.

"In 'Currency and Banking' Mr. Bonamy Price remarks that 'up to the passing of this Act, it was open to every bank or private person to put forth bank notes. One condition only was imposed as a guarantee of their value—they were required to be convertible, payable on demand. Not to pay a bank note on presentation was an act of bankruptcy, and the issuer passed at once under the laws of insolvency.'

"The Act divides the Bank of England into two departments, —one the banking department, the other the issue department. The latter is exclusively concerned with the issuing of notes. That operation is carried out under fixed rules laid down in the statute; and the vital point to observe here is that the corporation called the Bank of England has no voice, discretion, or control over the issues. In the issue department the Bank directors have no more authority or right to speak or act than any other person in the kingdom. The banking department is the Bank of England, pure and simple, as private a bank as any other bank in the country. As such, as a private bank, it possesses two advantages—a very big customer in the Government account, and a special benefit from the bank notes conferred on it by the law.

"The Act limits the quantity of bank notes issued by private banks in the nation to the quantity existing at the time when the Act became law. If any of these private issuers cease to issue, the bank notes assigned to them lapse, and the amount of the whole private issue becomes permanently reduced by nearly that amount. The Bank of England, the private bank so called, is authorized to receive from the issue department £14,000,000 of notes, with a certain proportion of the lapse of private issues as they lapse. The quantity stands now at about £15,000,000. These bank notes the Bank receive from the issue department, which in reality is an office of the State, on the condition that it shall give gold for them to the public whenever they are presented for payment. Of course this fact may be regarded as meaning that the Bank of England is a

direct issuer of notes to the extent of £15,000,000; but it is far simpler and truer to look upon the Bank as a receiver, for special reasons, of so many notes from the sole issuer, the office of the State, called the issue department. The Bank is subject to the further condition that it shall invest these £15,000,000 in securities on which it receives the interest. They are invested at 3 per cent.

"Bank of England notes are declared to be legal tender everywhere except at the Bank itself; the Bank cannot pay its debts with bank notes, as being legal tender. Any of its creditors may decline them.

"Every note is payable at the premises of the Bank of England, some out of its private resources, the remainder at the State office, called the issue department. The law further enacts that all the notes issued by the issue department beyond the £15,000,000 shall be covered for this payment by a deposit of gold kept in the department. The whole issue thus consists of two parts: one, now £15,000,000 assigned to the Bank of England, and payable by it; the remainder put forth by the issue department in exchange for gold given to it by the public, and kept permanently in the vault to guarantee convertibility."

In 1844-5, Sir Robert Peel settled on a wise principle the constitution of the Bank of England, and the constitutions of the private and joint-stock banks of England and Wales, of Scotland and of Ireland, as regards the function of circulation. The principal object of all his measures was to limit, and as soon as possible suppress, the circulation of country bank notes, and replace them in the first instance by notes of the issue department of the Bank of England; but there can be no doubt his ultimate intention was to provide for the supply of notes for the whole kingdom from a single central Government office as soon as possible. In 1844 it was not thought possible to suppress the circulation of the notes then in issue, but the first step was taken. A limit was fixed for the English and Welsh banks to the average issue of the twelve weeks preceding the 27th of April, 1844 (6 and 7 Vict., c. 32); and they were not allowed to issue notes beyond the maximum, even by keeping in hand gold coin equal to the whole of the excess. The consequence is that, notwithstanding the growth of population and trade in England and Wales, in thirty-four years the provincial banks have now only a note issue of £4,250,000, instead of the maximum issue of £6,250,000, assigned to them by the Act of 1844—caused partly by failure, and the prospective clause in that Act which provided that if any English or Welsh provincial bank commenced business in London, it should forfeit its right of issue at its country branches. This clause compelled the National

Provincial Bank to relinquish a circulation of nearly £500,000 when it opened a London office. Yet no such penalty was imposed by the Act of 1845 on the Scotch or Irish banks; and of late years the Scotch banks have taken advantage of the omission in the Act, and opened London offices. This should be remedied, as there should be no partiality shown by the law; and the effect of the legislation generally of the Act of 1845 has been more in favour of the Scotch banks than the English and Welsh; as the Act of 1845 (8 and 9 Vict., c. 38), by limiting the future note issues of the then existing Scotch banks to the average of the year ended on May 1, 1845—viz., £2,750,000—and requiring for all notes issued in excess of that sum that the Scotch banks held in hand gold for the same, virtually gave the monopoly of circulation in Scotland to the banks existing there in 1845, and has prevented the formation of any new bank. The permission to issue notes beyond the statutory maximum on condition of holding gold coin for the excess, has enabled the Scotch banks to keep pace with the growth of trade; and we find the note issue averages the last few years £6,250,000, or about £3,500,000 in excess of what it was in 1845. The Scotch banks have made great progress from 1870 to the half-year ending June 30, 1878. Their paid-up capital has increased from £8,750,000 to £10,000,000; their reserves from £3,500,000 to £5,500,000; their note circulation from £5,750,000 to £6,250,000; their deposits from £60,000,000 to £77,000,000; and their acceptances from £4,000,000 to £8,000,000; or, in total, the banks increased their liability to their proprietors from £12,250,000 to £15,500,000, and to their customers from £70,000,000 to £91,000,000. The Scotch banks have never paid so well as the English. Fully one-fourth of the sums invested in the lattter pay over 15 per cent., whereas 13 per cent. is an exceptional rate for a Scotch bank to pay, because they act more justly towards their customers, and pay "daily interest" on deposits, &c.; customers getting part of the profit made by the use of their money, the shareholders, of course, getting less.

The Bank of England has been very useful, but the time has passed for monopolies of any kind, however seemingly beneficial. *All* must be equal before the law, and subject to the same conditions. It is simply absurd to restrict either the Scotch, Irish, or Provincial banks of issue, because they have a branch or branches in London. All banks wishing to do so should have the power to issue notes if they give the necessary security and comply with the Government conditions; but the security must be real, and be deposited with the Government; and power to issue notes not be

permitted upon a banker's statement that he has so much gold in his coffers, unless the same be checked by a Government official. The note issue arrangement wants altering altogether, and notes by Provincial banks should be at once abolished. Why should the York Bank have had the power to issue notes to the extent of £46,387 without security; or any bank be allowed for a day longer so to do? The Scotch system has worked well; but times are altered, and the facilities offered by open credits, "overdrawn" accounts, &c., are greater than they otherwise would be, because of the "note" system. The spirit of the Act is complied with in their issue, but the principle is broken. Sir Robert Peel intended, as with the Bank of England, that for every note issued there should be gold to meet the same lodged in the banker's vaults. The Scotch banks may have gold enough in their possession to meet the notes issued beyond their authorized fixed issue, but where is the gold to meet all their deposits and other liabilities? Or why should the Scotch banks have power to issue notes over £2,000,000 in value, without having in hand gold to meet them; or the Irish banks be allowed to issue to the extent of £6,250,000, and only have £3,000,000 of gold and silver in readiness to meet the same? The whole thing wants revision. The Act of 1844 was a compromise at the time with vested interests; but the power given to certain banks, whether solvent or not, to continue to issue an immense amount of "promises to pay" without any security whether they can do so or not, after the failure of the City of Glasgow Bank and the York Bank, &c., ought at once to be the subject of inquiry. No bank should be allowed to issue their own notes. Every banker should have the privilege of getting notes from the Government office of issue, by depositing the necessary security; and the notes, like other promissory notes, should be stamped when issued by the Government, and the stamp defaced when the notes are returned. All distinction between London banks and Provincial banks, Irish or Scotch banks, should cease, and every banker be allowed to open where he pleases, like any other trader. It is the duty of all Governments, on behalf of the people they represent, to oppose and not to create monopolies. It seems ridiculous that an English Provincial bank, because it is a bank of issue, must not have branches in London or its neighbourhood; and thus bankers were naturally annoyed at the Scotch banks enjoying a privilege they were by law debarred from—a most unjust distinction. On the other hand, the London joint-stock banks naturally objected to opponents in their midst who had the advantage of using largely a spurious floating capital—viz., bank notes. The private banks, of course, object to unlimited or limited liability banks.

But competition is the best protection for the public, and private interests must succumb to the national good—with banks as others.

A banker is a dealer in money; he is an intermediate party between the borrower and the lender. There may be said to be two great divisions of England: the rapidly growing districts, or the rising men, who can easily employ any amount of money; and the stationary or declining districts, or the men who have retired, who have more money than they can use. So the banker borrows of one party and lends to another; and the difference between the terms at which he borrows and those at which he lends forms the source of his profit. A banker is useful, because he draws out of the pockets of the people their reserve cash that would otherwise be idle, and puts the same into active operation; money that would have been unproductive in the hands of private individuals becomes by means of the banker productive, by furnishing accommodation to those who have need of additional capital to carry on their commercial transactions. The banker is a broker between two principals, and charges his commission for the service he renders; but there is this important distinction: the banker takes all the risk; if the man he lends the depositor's money to does not pay him, he is compelled to restore the sum deposited to the depositor on demand. So, to understand his function, it is best to regard the banker as a dealer, a buyer and seller of money; and as correct banking is of the utmost importance, it being a branch of trade that is intimately connected with every man's business, the subject of money and of banking should be more attentively considered and thought of by the people at large. When you consider how few persons there are who can invest their own spare capital wisely and profitably, you will have some idea of the peculiar and special qualities necessary to manage banks like the London and Westminster, Union, Joint Stock, &c. The responsibility of receiving money on deposit when people like to give you the same, and of finding safe and remunerative channels for the same, to invest very large sums of money at all times, so as to safely see a profit and yet pay the depositors the current rate for money on deposits, is a very serious and responsible position for any man to fulfil, and needs a man of sound common sense, of practical mind, with well-defined principles of action for his guidance, as there is no time for deliberation. A wants to deposit, B wants to borrow; the manager must know whether it is policy to receive or refuse the deposits, whether it is safe to grant or refuse the loan, whether to take all the bills offered, or if it be necessary carefully to scrutinize and reject some; whether the borrower is to be helped upon the best, or upon what terms you should lend; whether to lend for a specified time, taking the customer's bill and holding his

deeds as collateral security, or to open a loan account, and if so, how far with safety you can lend upon the securities that he deposits with you. He has also to calculate how much money to keep invested in Exchequer bonds, Consols, and other Government securities, and how much cash to keep in hand to meet the current demands of the head and branch offices.

The banker should be a thorough man of business, possessing the valuable combination of a number of qualities, not in themselves individually of a striking character, but rare only in their combination in the same person; the possession of a well-balanced mind, giving that wisdom we call common sense, which can only arise from the due proportion of all the faculties. If you consider the number of bankers that fail in proportion to the small number of banks, you will agree with me that to be a good and successful banker requires qualities as rare and as important as those which are necessary to attain eminence in any other pursuit. Banking is profitable because it is carried on chiefly with other people's money. They borrow of A under the Bank rate, and lend to B at or above the Bank rate; they pay interest to A, the lender; at the end of the six months, they deduct it from B, the borrower, when they lend him the money. But their capital, upon an average, is not one-twentieth part of the money they hold of other people's; and if they can lend to others what is lent to them, unless they by want of judgment make bad debts, banking must pay a large interest upon the share capital, as they have also the advantages of the accumulated balances of all the current accounts; so that there is a certain profit upon all money lent to them.

The chief source of a banker's profits arises from his facilities for, and skill in, investing the aggregate of the sums entrusted to his care, yet so placed as to be readily available in case of need or an emergency. This is the most difficult part of the matter; it is easy to invest, but not to do so and be able to realize at any moment without loss. Still the banker's profits will depend upon the moneys entrusted to his care, and it follows, therefore, that within certain limits it is the endeavour of every banker to increase the deposits to the greatest possible extent in every legitimate way. Depositors may roughly be divided into three classes. First, the large class, really the backbone of any banking system, those who, too timid to trust their capitals to investments in railways, foreign bonds, or such like fluctuating securities, deposit their money with a banker, satisfied at receiving in return interest at the rate of 1 per cent. under the Bank of England rate, or the rate agreed upon and advertised by the leading joint-stock banks; the second important class of customers, on which to a large extent the prosperity of a bank depends,

consists of merchants and others, who, for the sake of the convenience of their business, leave in their banker's hands a balance, paying in and drawing out daily, but always leaving a balance, and the bankers being compensated for their trouble by allowing no interest on the balances of such accounts. Large permanent balances yielding no interest are not to be expected, but in the aggregate an approximate sum may be relied upon, as it is only the few keen business men who study finance, or know the value of money, and therefore use it, making what they can of it as they get it; the majority wait for their regular pay days, whilst others will lose their discount with a creditor rather than reduce their balance. It is very pleasant to know you have a good balance—the banker has no objection; but, economically, it is a great error of judgment, it being much wiser to *anticipate* and *prepay* your creditors if you have, or when you have, any sum at your bankers beyond what is needed for the necessary balance. The third very numerous class, especially in the provinces, is made up of those traders in a small way of business who keep a banker because it looks well, but whose capital does not enable them to keep the necessary balance required by bankers, and for the accommodation a "yearly commission" is charged.

Every one should keep a banker. Your money is lodged in a place of security, and you avoid all anxiety as to loss, as money is never safe in one's pockets, and it is not prudent to keep more in the till than is absolutely necessary, or after business hours. To all those who may reply, They can do without a banker, my answer is, you can do much better with one. The saving of time is an important advantage, as it enables you to pay all accounts by a cheque, and transfers the trouble of the real payment to your banker. But the most important point is, its acting as a check upon your cash account. I advise every man, whether in trade or not, to have a banking account, and to pay into his banker all the sums he receives during the year, and never to pay anybody on account except by a cheque upon the banker, drawing cheques for his personal expenses, or adding the same to his petty cash cheque drawn weekly, and accounted for in his books. The banking account will thus be a record of all the cash received, the cash paid, who to, and what for, during the year.

Assuming you have made up your mind to keep a banker, the next thing to do is to determine at what bank you will open your account. Nearly every man has a prejudice for or against some particular bank; but we have so many first-class joint-stock banks now of nearly equal merit, that the wiser plan is to select that bank or branch of a bank nearest to your place of business holding the position of the London and Westminster, or Union, or National Provincial. As

time is money, when making a decision, you must remember the time taken up in going to your banker, and the greater probability of loss the further the bank may be from your place of business. There are times in nearly every one's career when it is essential that his creditors and bankers have implicit faith in him—when it rests with them, by helping or refusing to help at a crisis in one's fate, to materially help forward or retard your progress, or perhaps save you from ruin. Many a house of good standing in times of panic needs a helping hand, or, at all events, they do not want the help hitherto given freely to be restricted or withdrawn by their banker, or their credit shortened by their creditors, at these critical periods. Therefore, I advise every one to be open and straightforward alike with their creditors and bankers; and in opening accounts with either, or when starting in life, to tell them plainly your position, and never represent yourself to be a richer man than you are; accept no bills you are not likely to meet,—better ask for a month longer before so doing, if there should be any doubt; and never discount with your banker any bills that are not likely to be paid when due; and remember, you must so arrange your own balance that if any bills be dishonoured you can pay them yourself. Never overdraw your account, and before opening discount account or loan account, see the banker or manager yourself, and have a distinct understanding with him as to the terms on which he will discount your bills, whether at Bank rate or half per cent. or 1 per cent. above rate; also the amount of loan, and rate of interest, and if it can be renewed, or when to be repaid. Men with a large business to attend to, or bankers, are fully occupied, and when you call upon either upon any subject of importance, be punctual; keep to the object of your visit, proceed to the business you have called about, and, as soon as it is over, leave.

A bank is an institution for the transfer of debts; herein, so far as the nation is concerned, is its principal value. People talk of money being cheap or dear, abundant or scarce, forgetting that banking transactions may be enormously increased or diminished without any change in the quantity of money circulated. Banks principally deal in cheques and bills of exchange. These are the results of sales or purchases. Every one of those paper transfers at their origin denotes property bought and paid for; every man who gives a cheque or a bill has bought something in exchange; and every man who gives the cheque or bill to his banker has previously sold something and hands the paper to his banker to collect the payment for him, and then he in turn buys and orders the banker to pay for the purchase out of bills or cheques previously deposited with him. The resources of banks proceed from goods sold, of which they collect the payment.

So you will perceive it is still barter, but of a higher kind. Goods still buy goods; one set of goods is exchanged for another, either with money as the medium, or with the intelligent medium, the banker, who is made to take the place of, but acts precisely as, a sovereign: he is an instrument of exchange. He transfers, like the sovereign, purchasing power from A to B. He receives the cheque for which goods have been sold, or a debt to collect, and passes it on in the form of a debt he creates. That purchasing power resides in the goods sold, directly or indirectly, by the banker's depositor. It is because the depositor has sold corn that the banker is enabled to authorize the merchant to buy tea.

Banking may be defined as the power that enables A, who has a balance to-day, to lend it to B, who is short, and that lends to A, when short, the balance of B. Its main value consists in its holding the collective balances and utilizing them; and the power is greatly increased by the Clearing House, one of the most important collecting agencies ever introduced; the cheque upon each banker being collected, debited, and credited, and a cheque for the balance given. Thus we see that the bank is an intermediate agent, like money itself —a medium of doing the work of money without having to use it. A sells corn, and not wanting the money, does not lend it himself, but gives it to his banker, who does; B wants to buy tea, but has not the money, only bills by him; A would not lend his money to B, but the banker does. In reality, it is A's money that is lent. The banker is the broker, who finds a borrower; his profit is the extra discount he charges B to what he pays A. A has paid the sum in by cheque, B draws it out by cheque; both cheques go to the Clearing House. Thus you see the value of banking; it is a benefit to A and B, and a profit to the banker, and no metallic money is needed in the matter. You must distinctly understand this: the great value of banking is its action, being similar to, but doing without the aid of coin. But the only true definition of banking is that it places property in different hands. So you will at once perceive that the ability of banks to assist trade, the rate of discount, do not depend upon bankers, but on the state of the wealth of the country, and in the effect which it produces on the two principals which the bank has brought together. The banker's value is in the opportunities his position affords him to select the men into whose hands the wealth moved by his agency is to be committed. He neither created the wealth which his depositors sold, nor does he touch that other wealth which his borrowers purchase; but it signifies immensely to what sort of borrowers he gives the means of buying, by empowering them to draw cheques upon his bank. (Overend, Gurneys, the City of Glasgow

Bank, the West of England Bank, failed from this reason, and they prove the power in the hands of bank managers and directors.) Upon the judgment of the banker will depend whether the bank fails or grows, pays fair interest to its shareholders, or ruins them; and on him also mainly depends whether the money be advanced to men who will use it wisely or recklessly, whether it be lent to men who will use it as capital in processes which reproduce its consumption, or to men who will waste and destroy it in prodigal expenditure, unskilful trade, or in reckless speculation in business, in unprofitable mines, or in making railways where they cannot for a long period of years reproduce to the country the food, clothing, and material their construction consumed. A banker is not the capitalist the vulgar herd imagines; his capital is trifling, insignificant. The public must not be misled by the capital of a bank; it all depends on the *man* with whom rests this mighty power of *selecting* the men to whom the country's wealth shall be entrusted—a glorious position, needing, if not a genius, a man of clear perception, sound common sense, and great moral power.

Banking, you will perceive, is a very useful agency for the great work of exchanging wealth; its two great instruments for transferring the ownership of wealth from one man to another are cheques and bills of exchange; by this means a smaller number of coins are required. Their object and aim are to diminish the quantity of metallic money required. They supply us with enough money to carry on the cash business, and no more, as all surplus cash is at once returned to them. As we progress in morality, and the higher the commercial development, the more willing are the owners of goods to part with them for cheques and bills. Every extension of this principle of deferred payment, helped by good book-keeping and the action of such institutions as the Clearing House, renders less money wanted for the country's commerce; and so the brain by its thoughtful arrangements provides a substitute for metallic currency. Had every man a banker, very little money would be wanted; the nation's payments would be solely a matter of book-keeping, of debiting and crediting by means of cheques and bills of exchange. It is by their means that England, in comparison with her wealth and trade, needs and uses less metallic money than any other country in the world. If equal to the times we live in, we shall extend this "economical power," and increase our note issues upon the Government security basis; teach our people to understand the value of banks, what money is for—to be used, not kept idle in boxes or their pockets; and extend the Clearing House system; for principally by these three means you may increase the trade and commerce of the country, so far as they need the help of a medium of exchange, to any extent. Nothing stops us, nothing causes

depression of trade, but our own ignorance and want of judicious industry, and a wiser system of production and distribution. Gold should be a blessing to us, not a curse. All trade is an exchange of gold, I grant you, for money as a medium; but, as Adam Smith has well remarked, England (or any other country) can replenish itself with gold from abroad if she has the wherewithal to pay for it. Gold is a commodity to be bought with other articles, like any other article; and as all articles are exchanged for money, gold can be had to the extent needed for foreign trade if the proper means are taken to secure it.

Banking is, briefly, the economy of capital, the economy of money. Every year we discover new forces, or bring others under the control of man; but of all the inventions of which necessity is the stern mother, the inventions of economy are the most prominent, as they are the most useful, at the present day. To hold our own, we must carefully gather up what our forefathers threw away; we must learn to appreciate what they neglected or despised. "Waste nothing," is the key-note of our material industry. Just as the farmer turns even the weeds to account, as a manure for the fields which they encumbered, so in all things we must utilize "refuse," and see that everything is of use, if we take it to the right place and put it to its right use. We can only hold our own against foreign rivals by learning the lessons past experience has taught; we must be more thoughtful, be more economical, avoid losses; try for making the many small gains instead of aiming at the few large ones. It is incumbent upon us to utilize all the neglected resources we possess, and trust, as the basis for maintaining and extending our power, to the accumulative and concentrated appliances of a thousand forces or savings within our reach, each trifling of itself perhaps, but capable, by wise economy thereof, to promote the nation's greatness and wealth. Our people must learn to be men of business—must learn that the high morality of "putting yourself in his place" and "doing to another as you would be done by," in all transactions, is the height of wisdom, proved by experience, as it is the only real proof of a nation's religiousness, the consummation of, and positive evidence of, a people's real worship. They must learn about banking, about "money," about the bugbear "currency," as it is only by such knowledge they can learn how to economize the force of money; and I maintain that the knowledge by the nation how to cause this economy of their capital, would act like new gold mines, as an agency to give to commerce an expansion it so much needs. There has been latterly a strong feeling of mistrust in the public mind respecting banks, and I have therefore deemed it advisable, perhaps at too great length, to bring before the public notice some of the advantages of banking.

Any one interested in banking should read "Seyd on London Banking and Bankers' Clearing House System." It would, indeed, be difficult to imagine anything more logical in construction and closer to perfection than the London bankers' clearing system, and Englishmen may be justly proud of having invented it. Each banker brings to the Clearing House the cheques he has paid in during the day. There are books of which every banker keeps one, and the clerk sorts out and fills in details, and places the said list on the desks of each banker, so that they may be entered, added up, examined, and placed to his credit. This process of bringing in cheques to the Clearing House goes on several times during the day; for although the final balancing does not take place until the end of the day, to prepare for it and to save time, it commences as early as possible; so that each banker gets several batches during the day, and the totals of the various lists are added up at the close of the day. This is called "received" clearing, and now as the one banker has handed cheques to all the others, so he, in his turn, receives in return from each of them one batch, drawn upon his bank; these they have entered into their "received" lists, and he, in his turn, must enter them into his debit or "paid" clearing book. All cheques are thus twice entered, first by the receiver, secondly by the payer, so that the correctness of the work of one is controlled by the other. Having so entered the cheques, the same are at once sent to the different banks, examined, and entered to the debit of the customers who have drawn them. At the end of the day, all the lists which have been made out during the day by each banker for each of the other twenty-five are added up, and each banker thus has twenty-five totals to receive and twenty-five totals to pay. For instance, Robarts' list, we will say, against the London and Westminster amounted together to £652,716 6s. 6d., whilst the London and Westminster has £513,414 5s. 6d.; the balance between the two would be £139,302 1s. in favour of Robarts and Co., and the settlement of the sum would suffice to discharge a total of payments of £1,166,130 12s. And now for the keystone of this system. Each banker has an account at the Bank of England, called the "clearing bankers' account;" so, when the final balances are agreed upon daily, the inspectors issue transfer notes upon the Clearing House account, and in this list Messrs. Robarts would appear as creditors of the London and Westminster for £139,302 1s. There are returns daily of unpaid cheques, which have to be deducted, and the Bank of England, by simply debiting and crediting each banker's account from their daily transfer lists, arranges for the sum of £100,000,000 being paid weekly without a penny piece changing hands or being needed in the settlement.

EXCHANGE.

"EXCHANGE, in commerce, that species of transactions by which the debts of individuals residing at a distance are cancelled without the transmission of specie. Thus, suppose a merchant in London orders his agent in Glasgow to send him £100 worth of cotton goods, and that it is not convenient for the agent to commission goods of equal value from his London correspondent; the latter may, notwithstanding, be under no necessity of remitting cash to Glasgow in discharge of his debt. Among places having considerable mutual intercourse, the debts due by each other are generally found to be about equal. The Glasgow agent does not, therefore, transmit the bill drawn by him on his correspondent for the value of the cottons, to London to be cashed, as he would have to bear the expense of getting the money sent him; but he gets its value from some other party in Glasgow who has a payment to make in London (say for tea), and who, unless he could procure such a bill, would have had to remit the amount of his debt in money. The bill on account of the cottons is, therefore, either drawn in favour of the party in London who furnished the tea, or it is drawn in favour of the tea-dealer in Glasgow and endorsed by him to the former, who, in presenting it to the purchaser of the cottons, receives its value. This contrivance obviates the expense and risk both of transmitting money from London to pay for the cottons and of money from Glasgow to pay for the tea; and both accounts are settled without the intervention of a single farthing. The process of liquidating obligations arising between different nations does not differ essentially from those which regulate the traffic in bills of exchange between different towns of the same country; but it is affected by special circumstances to such an extent as to put the trade in foreign bills seemingly into a different category from those of home circulation.

"When it is borne in mind that the trade in money, or securities representing the worth of money by expressing quantities of money, is liable in the fullest sense to competition, to the effect of supply and demand, and to other cognate economical forces, it will be easily seen that circumstances which tend to produce fluctuations in market rates will apply with the greatest significance to the trade in foreign bills,

since a wider latitude is given in such securities for the influence of those exceptional events. When all the accounts of one country correspond in value with those of another, so that there is an even balance, the exchange will be at par; that is, the sum for which the bill is drawn in the one country will be the exact value of it in the other. But such a state of things can never exist in reality, and the rate of exchange is governed by the interposition of bills drawn on other countries where a similar inequality prevails, due to the fact that in these the inequality is reversed. Thus, in the trade between Italy and Britain, the bills drawn on the latter country almost always amount to a larger sum than those drawn in Italy. The bill-brokers, however, by buying up the excess of the Italian bills on London and selling them in Holland and other countries indebted to England, prevent the real exchange from ever becoming greatly depressed. Fluctuations in the exchange have a tendency to correct themselves; they can never, in ordinary circumstances, for any lengthened period *exceed* the expense of transmitting bullion from the debtor to the creditor country. When the exchange is favourable to one country, it is also corrected by restricting exportation and facilitating importation; when unfavourable, it produces the same effect by increasing exportation and diminishing importation. The true par forms the centre of these oscillations; and although the thousand circumstances which incessantly affect the state of debt and credit prevent the ordinary course of exchange from being almost ever precisely at par, its fluctuations are confined within narrow limits, and have a constant tendency to disappear" ("Popular Encyclopædia").

The study of foreign exchanges is difficult, and it is necessary to bear in mind that different countries make use of different coins, different in denomination and in weight, and consequently in value. The pound is the money of England, the franc that of France, the dollar that of America. These several coins contain very different quantities of the precious metals. The dollar contains about five times as much silver as the franc, whilst the guilder contains only twice as much. The existence of *par of exchange* is usually assumed, and between two countries making use of the same metal a par may exist, but between two countries, one of which makes use of gold and the other of silver, an invariable par cannot exist. Although not essential, it is extremely useful to the merchant to know the average value of the currency with which he trades; that value will depend on the quantity of pure metal contained in the coin which forms its legal tender, alloy being left wholly out of the question. Gold is the standard in England. Silver coin here has a conventional value, independent of the market value; foreign silver coins,

as the franc or guilder, possess no such conventional value; they are merely a commodity liable to fluctuation with the varying price of silver. The fluctuations in the rate of exchange proceeding from an alteration in the value of the medium in which price is quoted are purely *nominal*; the *real* exchange is the actual market price, determined by the same law of supply and demand that regulates the price of sugar or corn. The demand for bills of exchange arises out of the necessity of paying for importation. The supply arises out of the practice of drawing for exportation. When exports and imports are equal, the exchange is at par; but they never are, so the exchange varies; an excess of importation causes the exchange to advance against the importing country; an excess of exports causes the exchange to be in favour of the exporting country. The exchange trade is carried on by a small and special body of foreign bill-brokers, of whom Messrs. Rothschild are the greatest. Messrs. Rothschild are immense capitalists, having also much borrowed money in their hands; but they do not take £100 payable on demand, and pay it back in cheques, like an English banker. The borrowed money which they have for use is deposited in large sums, borrowed for terms more or less long. A foreigner thinks "an exchange business,"—that is, the buying and selling bills on foreign countries—a main part of banking.

The term "foreign exchanges" is more frequently used to express the rates at which the exchanges in question are effected than the exchanges themselves—the prices rather than the transactions. When it is said that the exchanges are rising or falling, or that the exchanges are at specie point, allusion is made to the fluctuations in the terms on which bargains are made between buyers and sellers of foreign bills. That which forms the subject of exchange is a debt owing by a foreigner and payable in his own country, which is transferred by means of bills by the creditor for a certain sum to a third person, who desires to receive money in that foreign country, probably in order to assign it over to a fourth person in the same place, to whom he may be indebted. "A merchant in England, A, has exported English commodities, consigning them to his correspondent, B, in France. Another merchant in France, C, has exported French commodities—suppose, of equivalent value—to a merchant, D, in England. It is evidently necessary that B in France should send money to A in England, and that D in England should send an equal sum of money to C in France. The one debt may be applied to the payment of the other, and the double cost and risk of carriage be saved. A draws a bill on B for the amount which B owes to him; D, having an equal amount to pay in France, buys this bill for A and sends it to C, who,

at the expiration of the number of days which the bill has to run, presents it to B for payment. Thus the debt due from France to England, and the debt due from England to France, are both paid without sending an ounce of gold or silver from one country to the other" (MILL). The rise or fall in the rate of exchange is independent of any system of coinage. Exchange will be at a premium or discount according as there happens to be at any moment a greater or less demand on the part of such as desire to transmit funds abroad, as compared with the supply offered by such as had outstandings abroad which they were entitled to draw in. "The rise or fall in the exchange happens because on some particular day, or through a given season, a large amount is required to be sent abroad in payment of debts. England, let us say, is heavily indebted to France, and the time has arrived for payment. At this time, however, it happens that in the opposite branch of trade, that which results in France being indebted to England, fewer transactions have taken place, and thus there are comparatively few who have amounts standing to their credit in Paris which they might transfer to those who have to remit; in other words, adopting the language of merchants, there are few who have bills upon France. The consequence is, that there is great competition for these few bills; those who do not bid high enough for them will either have to go through all the trouble of packing, insuring, and despatching gold, or else will not punctually meet their engagements. Thus those who have the bills to sell are able to obtain more than the actual par value for them. In consideration of their having a given sum already at a spot where it is required by another, and whither the latter must convey it himself at some expense if they do not cede it to him, they are able to secure for themselves the whole of the benefit, which, if the exchanges were at par (that is to say, if the indebtedness of the two countries were equal), would be divided between the buyer and the seller. Instead of the arrangement being a mutual convenience, the seller is able, by the competition of the buyers, to secure the whole convenience to himself. "Supply and demand, in their usual form, determine the transaction at this stage. Bills on France, in the case just put, would be at a premium. In the opposite case, if there were more persons who had money to claim from France than those who required to send funds thither, bills on France would be at a discount" (Göschen's "Foreign Exchanges").

The following will explain briefly, but I think clearly, what the "loss by exchange" is; the "gain by exchange" will be the reverse of this—viz., when there is a "gain" instead of a loss:—

A customer writes us, April 28, 1879, that he has not been able to order for some time past, the rate of exchange being so high, and

when he sends this indent the exchange is 24¾ ; viz., for every £100 he remits us he has to pay 1,247½ rupees instead of 1,000, and the ordinary cost of remittance. There is no mystery in the way of calculating the loss of exchange. Taking arbitrary figures for the purpose, it is as follows : To remit £100 at 2s. the rupee, 1,000 rupees are required ; but if the rupee is reduced in value in India in relation to the value of silver as against gold, say to 1s. 7d. the rupee, 1,263 rupees are required. You will at once perceive the difference between a favourable or adverse rate of exchange, if you imagine yourself in India and have to find 1,263 rupees instead of 1,000 before you can remit £100 to London for gold, &c. The loss is represented by the excess number of rupees required to be sent home at the rate of 2s. the rupee, and therefore the sterling loss is 263 multiplied by 2s., or £26 6s. upon every £100. The Government accounts are calculated upon this principle, and would be represented by a larger sum, only that the loss is not in comparison with 1s. 7d. against 2s., but of 1s. 7d. against the average rate of exchange for some years past—viz., 1s. 10½d. Taking the whole amount of the remittances required to meet the home charges for 1879, and taking the rupee at the rate of 1s. 7d. as compared, not with 2s., but with 1s. 10½d., the real loss to India is £3,130,000 sterling. But as it was only proposed to remit £15,000,000, the real loss will be £2,750,000. Contrast this fearful increase of expenditure against the loss of "exchange" for the four years before the heavy fall in 1876, when the net average annual loss was £432,000.

From Mr. Bonamy Price's able work, "Currency and Banking," I extract the following : "Gold exercises a most valuable function in liquidating the balances of international trade. All trade, as between individuals so between nations, is an exchange of property, of wealth, of goods. Every nation buys abroad with its own products its own goods; it has nothing else to obtain its purchases with. When a country has mines of gold, gold passes as a product, just as cotton or wine. If the buying equalled the selling every day, as would happen with direct barter, the accounts would always be balanced of themselves; but as purchases and sales with one single foreign country are not always equal, there remains, on a given day, a balance to settle, and that is done with an export of gold from the country which bought most to the country which has sold most. At times, this difference is large, as when a bad harvest or famine urges on immediate and large purchases of food, and sufficient gold at the moment might be difficult to procure. But the machinery of modern commerce here comes in aid; bills—which are only deferred payments—are brought into play, and often before they are due, the balance has been corrected with the

export of goods. In any case, as Adam Smith has well remarked, England can replenish itself with gold from abroad, if she has the wherewithal to pay for it. Trade never is anything else at last but exchange of goods."

International payments require the currencies of different countries to be compared with one another. Each country sells upon prices estimated in its own money; hence, in international exchanging, two accounts have to be settled together, each expressed in different moneys. How is the position of each towards the other to be calculated? They must be reduced to a common measure, to gold. French napoleons and francs must be converted into weights of gold; so must the English pounds and shillings. This operation is carried out by expressing the coin of the one country in the coin of the other. The weight of gold in an English sovereign is compared with the weight of the same metal in French francs, calculated on the basis of the weight of gold in the twenty-franc piece, the napoleon. The discovery is made that twenty-five francs, and some $\frac{11}{100}$ more, express the same weight of gold as the English sovereign, and this equality is called the par of exchange. When the exchange is at par, a man who has an English sovereign can obtain these francs, and *vice versâ* these francs will get a sovereign. A bullion dealer who bought two heaps of sovereigns and napoleons on this basis and melted the gold into ingots, would get exactly the same ingots from each heap.

But exchange seldom stands at par between two countries, for a very sufficient reason; the buying and selling are seldom equal on the same day; the difference, as explained, they agree shall be liquidated in gold. Now to send gold, involves a charge for carriage and insurance; and the man who has to send it will avoid this charge if he can; so we find that goods purchased in foreign countries, all except the same balance liquidated in gold, are paid by the exchange of debts by bills. The English debtor pays his French creditor by sending him a bill due by a French debtor for English goods sent to France. Practically, one nation buys up the bills on the other, and settlements between the two countries are made by an exchange of bills. If the purchases in the two countries are equal, so will be the bills created by them; if not, the debtor unable to find a bill has to send gold, or, as is generally the case, he offers for a bill rather more than its value in metal at the par of exchange. If France owes us more than we owe her at any given period, the French debtor has to pay, say, 25¼ francs for £1, due in London, rather than send gold. If England owes more to France than France to England, at any period, the English

debtor in London will be eager to obtain, and compete with others to buy in London, a bill due by a Frenchman in France; and he will give £1 for 24¾ francs to be paid in France. In the former case, the exchange is said to be in favour of England; the Englishman gets a quarter of a franc more than the gold of his pound at par. In the second case, the exchange is pronounced unfavourable; the Englishman gets less gold in 24¾ francs than he gave away in his pound. So you perceive that a favourable exchange means that England has sold more than she has bought; the same not being able to be settled by the ordinary bills, she has a balance to receive in gold. As gold is costly to transmit, what bills are to be had are sought after, and fetch more in consequence; and an unfavourable exchange means the reverse; she is the loser by the exchange of bills needed for the settlement. But the exchange will not rise above par, beyond the cost of carriage and insurance for the transmission of gold. If it costs half a franc to send £1 worth of gold to England, the Paris debtor will accept an exchange which makes him give 25½ francs for £1, to be paid in England; but he will refuse one of 25¾, as it would cost him less to send the gold.

Another popular fallacy is that of favourable exchange, meaning thereby we have sold abroad more than we have bought, and had to receive gold for the balance. The expression implies an ignorance of the very nature of all trade, and is made by those who ignore the fact that men sell to have the power to buy; that all trade is only an exchange of goods, and the greater the power to procure goods of foreign countries, for use and consumption, the better. We only sell for gold, because it gives us a ready means to buy other goods. It is the goods we really want, not the money; hence the terms favourable and unfavourable exchanges are misleading, but still exist, in spite of their refutation by Adam Smith. The delusion is based upon the absurdity that to sell is everything—get gold for your goods; whereas to sell without buying is to convert a man into a Midas, and to make him perish amid piles of gold. The value set on favourable exchanges Mr. Bonamy Price considers the greatest intellectual and literary wonder of our age.

All persons interested in "Exchange" should carefully read Mr. Bonamy Price on "Currency and Banking," and "The Theory of the Foreign Exchanges," by the Right Hon. G. J. Göschen.

INTEREST.

INTEREST on money is a refined idea, and not an universal one. Not that this implies that interest ought not to be charged, but that the majority of persons in most countries do not appreciate it. Most savings in most countries are held in hoarded specie. In Asia, in Africa, in South America, they are thus held, and it would frighten most of the owners to let them out of their keeping. A modern Englishman assumes as a first principle that he ought to be able to "put his money into something safe that will yield 5 per cent.;" but most saving persons in other countries are afraid to "put their money" into anything. In England there is a large fund always seeking investment, and the money-broker is anxious to get rid of it. He has only the temporary use of it, and every moment of the time he has it is a loss to him, until he can place it; this causes the rate of interest to vary. According to the quantity of money waiting for investment, will broker and banker tempt or try and prevent men from asking for it. There are two rates of interest—one based on an average, as for long loans or mortgages; and one called discount. The latter is approximate to the rate of interest allowed by money-brokers to their depositors. A loan or a mortgage may not be obtainable at less than 5 per cent., when at the same time the manufacturer or merchant may be able to gets his bills discounted at 2 or 3 per cent. Rate of interest means the rate for permanent loans; rate of discount is the rate paid for temporary loans, or loans held returnable on short notice, or for the discount of bills not having longer than a certain date to arrive at maturity. The best index of the rate of interest will be the price of Consols, not in their daily change, but in the average for periods of some duration. If Consols are at par, it implies that investors cannot get more than 3 per cent. for investment of their money in securities of a similar class. The rate of interest for all other securities will follow that of Consols, according to the estimation in which the security is held. But although the rates of interest and discount may seem to vary, there is a real sympathy between the two. There cannot, for any length of time, be a great depression of the rate of discount without the rate of interest falling after it, for such continued depression of the rate

of discount implies that all the channels of commerce are overcharged with capital, and, therefore, shows a state of things in which money disposable for permanent investment is not likely to find room.

During the Middle Ages, the taking of interest for the loan of money was deemed sinful, and stigmatized with the name of usury. This opinion appears to be wholly unwarranted, either by the principles of natural equity or the enactments of the Mosaic law. "The taking of interest from Israelites was forbidden by Moses; not, however, as if he absolutely and in all cases condemned the practice, for he expressly permitted interest to be taken from strangers, but out of favour to the poorer classes of people. The further we go back towards the origin of nations, the poorer do we commonly find them, and the more strangers to commerce; and where this is the case, people borrow, not with a view to profit, but from poverty, and in order to procure the necessaries of life; and then it must be, no doubt, a great hardship to give back more than has been got. The taking of interest from *strangers* Moses has not only nowhere forbidden, but even expressly authorized. Hence it is clear that he does by no means represent interest as in itself sinful and unjust. Political economy demonstrates clearly that "thrift," or the accumulation of capital by a nation, depends on whatever profit can be obtained by self-denial, the reward of "abstinence." In "Paper Money," Mr. Harvey denies that capital is the result of saving, and says the absurdity of stating that the only way of adding to the capital of a country is to save money, arises from our confounding capital and money. According to his theory, "the problem of life is to consume much and produce much." With this I cordially agree,—no one is more anxious that the mass of the people should have more of the comforts of life; but to obtain this, they must not be misled by those "false friends" who tell them to limit the produce of their labour, but be guided by their "true friends," who advise them to produce all in their power. Mr. Harvey agrees with Mr. Ruskin, that thrifty people, accumulators of capital, are "worshippers of Mammon, and servants of the devil." If you have read my books, you will have noticed my contempt for the accumulator, who is actuated solely by his love of gold—whose pleasure is in the thought of his possessions, which yield gratification to his miserly soul; but we must not ignore the fact, that the wages for next week, or month, or year, depend solely on the *savings* of the week, month, or year that preceded; that the very existence of society now depends upon those who "think of the morrow," upon those whose "savings" of to-day are the "seed" for to-morrow; and that capital, if not money, represents in loans, debts, or produce a right to money, a right to have when wanted an equivalent for

what it abstained from using and lent to others. Capital is a "deferred payment," a debt payable on demand, and until demanded, is entitled to interest, in proportion to the risk incurred through lending it. Any such prohibition of interest in our age and country would, without doubt, be unjust towards lenders and destructive to trade of every description. Among all the remnants of ancient laws, it would be difficult to find one which, in the present state of society, it would be more foolish and hurtful to revive and enforce. It could only suit a state so constituted as was that of the Israelites by Moses. The taking of interest for the loan of money was first prohibited in England by Edward the Confessor. This law, however, appears to have become obsolete; for, in a council held at Westminster in the year 1126, usury was prohibited only to the clergy, who, in case they practised it, were to be degraded; and in another council, held twelve years afterwards, it was decreed, "that such of the clergy as were usurers and hunters after sordid gain, and for the public employment of the laity, ought to be degraded." The earliest mention we find in English history of a certain yearly allowance for the usury or interest of money is in the year 1199, the tenth and last year of Richard I. In this case the rate of interest was 10 per cent. This appears to have been the ordinary or market rate of interest from that period until the time of Henry VIII.; but there are many instances on record of a much higher rate of interest being taken, especially by the Jews and the Lombards, who in those times were the principal money-lenders. The exorbitant interest taken by them is supposed by eminent writers to have been the cause of the prohibition of usury. In the year 1546, the taking of interest for money was made legal in England, and the rate was fixed at 10 per cent. This Act was repealed in the year 1552, but it was re-enacted in 1871. The legal rate of interest was reduced to 8 per cent. in 1624, and to 6 per cent. in 1651. In the year 1714 it was reduced to 5 per cent., where it now remains. The legal rate of interest is still 6 per cent. in Ireland.

After the taking of interest was sanctioned by law, the term *usury*, which was previously applied to interest in general, became limited to denote a rate of interest higher than that which the law allowed. Mr. Gilbart says: "Erroneous views are often entertained of the Mosaic laws, from neglecting to consider the state of the people to whom these laws were given. It was the object of the Jewish legislator to make the Jews a purely agricultural people. The promotion of agriculture was, as Montesquieu would say, the *spirit* of his laws. Hence he prohibited the taking of interest for the loan of money. By this means he interdicted commerce. His design was to prevent the Israelites from associating with the surrounding nations,

and learning their idolatrous practices. But even Moses permitted the Jews to take interest for the money lent to strangers—a circumstance which proves that the prohibition was only a political and not a moral precept. If the taking of interest for money were really wrong, it would have been forbidden in all cases. But in the Middle Ages the political and the moral laws of Moses were confounded together, and all of them were supposed to be of perpetual obligation upon all nations. These opinions, which might have been useful in a purely agricultural state, were still indulged when a change of manners required that this country should become commercial. If we admitted the unlawfulness of taking interest for money, we might on the same principle condemn all kinds of commerce, and even all profitable investment of capital. Where is the difference between taking money for the use of money and taking money for the use of commodities that are purchased with money? If I lay out £100 in the purchase of a house, I am allowed to take rent for the use of that house. Why, then, if I lend to a friend the £100 with which he purchases a house, am I to receive no remuneration? If we are not allowed to receive any money for the loan of money, why are we allowed to receive money for the loan of a house or coach, or any other article? An exorbitant charge for interest is certainly unjust, but so is an exorbitant charge for anything else. Money is a necessity. A merchant having bills to meet, must find it somewhere, at some price. It is this urgent need of the whole body of merchants which runs up the value of money so wildly in a great panic. On the other hand, money easily becomes a "drug," and there is soon too much of it, and we are told in the Money Articles daily that "bills" are not to be had, and then the value of money is very low. These fluctuations are caused by a slight excess of, or a slight deficiency of, quantity; but the rate of interest depends upon supply and demand. When the supply is thought to be inadequate for the demand, all are eager to secure it, and the moneyed interest naturally charge a higher rate for the use of it. I do not believe in a scarcity of money; it is the panic that gets into the minds of men at certain epochs, destroying all confidence of man in man; when the most wealthy houses become subject to suspicion, and the best of our banks know not how soon they may become exposed to a run from the popular delusion which prevails. Hence money is hoarded, every one prepares for the worst; and money becomes, or is said to be, scarce, simply because no one will part with what he has. Take the panic of 1847: the Act of 1844 was no sooner suspended in October, 1847, people were no sooner told the Bank was not to be restricted in its issue of bank notes, than the pressure immediately ceased. On the return of

confidence, the hoards are brought out; the amounts held in reserve by bankers in England and Ireland can be reduced; the stagnant funds, the locked-up capital, are again put into circulation; money is vitalized, and soon overflows the country.

The following list of the Bank rate for six years will prove that money is not paid too highly for:—

FLUCTUATIONS IN THE BANK RATE OF DISCOUNT DURING 1877—1882.

1877.		1878.		1879.	
DATE.	Rate.	DATE.	Rate.	DATE.	Rate.
3rd May	3	10th January ..	3	16th January ..	4
5th July	2½	31st January ..	2	30th January ..	3
12th July	2	28th March ..	3	13th March ..	2½
28th August ..	3	30th May	2½	10th April	2
4th October ..	4	27th June	3	6th November ..	3
11th October ..	5	4th July	3½		
29th November ..	4	1st August.. ..	4		
		12th August ..	5		
		14th October ..	6		
		21st November ..	5		
1880.		1881.		1882.	
June 17th	2½	January 13th ..	3½	January 30th ..	6
December 9th ..	3	February 17th ..	3	February 23rd ..	5
		April 28th	4	March 9th	4
		August 18th ..	3	March 23rd ..	3
		August 25th ..	4	August 17th ..	4
		October 6th ..	5	September 14th ..	5

Ask any tradesman why business is so dull, you have the stereotyped reply, "Scarcity of money;" yet money is waiting to be asked for, if they had the debts represented by bills to give in exchange for it. This is caused mainly by a want of confidence, stopping production, distribution. Yet why this feeling of mistrust it would be hard to tell; except that men do not think for themselves, do not act for themselves, but have trusted to bankers and others to invest for them; and one gigantic failure shakes confidence in all, and so the public, the money-investing public, keep to first-class securities only; and on the 8th of April, 1879, Consols exceeded the price of 98 for the first time since November, 1858. November 20th, 1882, Consols were 102 for money. There could be no safer indication that capitalists are at their wits' end to know what to do with their money. The quantity of money required in any country must depend upon the extent of its trade; and as both the foreign and domestic trade of this country has very considerably decreased the last few years, and still

keeps in a very depressed state, less money is required to carry it on. Manufacturers and merchants have not the same quantity of bills to offer for discount; hence there is a great falling off in the demand for money. The quantity of money required to carry on any given amount of trade depends also upon the general scale of prices; and as the prices of nearly all commodities have been much reduced, the amount of money required for the exchange of the same quantities of commodities is proportionately diminished. So lenders cannot find legitimate borrowers, capital is in search of employment, and has to be satisfied with very poor remuneration. How is this? There are various causes, and our working classes have yet to learn that it is a very easy task to bleed a man to death, but even with a profuse supply of money to put fresh blood into his veins, we cannot at our pleasure restore him to life again.

What an outcry there is when money gets over 5 per cent., or even before it reaches that rate; yet manufacturers and merchants might well afford the capitalist his temporary gleam of sunshine without so much murmuring. The rule with manufacturers is to draw on their customers at four months if they are not able to take the discount; this is charging their customers 7½ per anuum. The City merchant houses make a large profit by the necessities of their customers; or, putting it another way, they lend to their customer; that is, they extend the length of credit four months by his sacrificing 2½ per cent. discount. There are some houses who will only draw at three months. A business man, of course, always discounts such accounts if possible, and arranges that the house that draws at four months shall do so; but the profit monthly in discounting a batch of bills at the Bank rate, in comparison with the discount their customers have to forego, must be a large sum. A tradesman should always try and arrange his purchases so as to secure the discount; to do with good men or to do a cash trade, taking the discount is essential. As a rule, it is not advisable to draw on houses that sell all for cash; if a debtor's assets consist only of his stock-in-trade, that alone will never pay his creditors 20s. in the £, if he takes the full time allowed in the trade. For instance, the terms at least are one clear month and four months' bill; then there is dating on—say six months' credit or half a year's trade. To pay, the stock must be turned over four times a-year, or at least three times. You will perceive that there is only three or four months' stock to pay six months' purchases with. Yet merchants will not keep their eyes open, will not read the signs of the times, will not see that book debts will year by year be less of an asset as cash trade becomes more and more the rule. Despite, I say, of this, our

leading City houses tempt their customers to buy by offering job lots, dated on. So infectious has become this fatal disease, that another house, whose system was unique, whose counting-house policy was the most profitable as the most judicious in the City, whose rule used to be that if a parcel was bought on the last day of the month, it was charged for in that month's account if it left the premises, yet on March 29th, 1879, this house, to my great sorrow, so far departed from the principle of its great founder as to send out a circular offering goods under price, and to be dated as May. I know the excuse; trade is bad, others do this and that. Buyers grumble that the dating on will tempt men, aye, even more than price. All too true. Still the principles that have made a house, that have triumphed successfully over periods as adverse as the present, ought not to be departed from except as a last resource. Look at the damage it does the house! A besieged castle has little chance against the enemy when it is known how nearly exhausted the supplies are; and once begun, and you join in this dangerous system of dating on, there is no knowing where you may go.

> "Within the infant rind of this small flower
> Poison hath residence, and medicine power.
> Two such opposéd kings encamp there still
> In man as well as herbs—grace and rude will;
> And when the worser is predominant,
> Full soon the canker—death—eateth up that plant."
>
> SHAKSPERE.

Beginning life with a very small amount of borrowed capital, I am well aware of the value of dating on; but at that time we sold our own goods on credit—credit was the rule, ready money the exception—and the dating on was only the two seasons' parcels bought some months in advance of the time they would be required. The "canker" in the present system is dating on by circular indiscriminately to every one, and after having sold the season's parcel dated as February to your regular customers, offering "job lines" to those who have not already bought in March, dated as June. The judicious use of the system is the "medicine;" the reckless use of the system is the "poison," in tempting a man in March again to buy "jobs" dated as June, before you know if he intends to pay in April for the season's parcel bought in February; tempting men to incur liabilities; making of business a reckless, haphazard kind of thing; the counting-house, instead of, as formerly, being the safety-valve, the poison luring men on to their destruction. Why is this? Because men do not think, and are led away by specious expedients, and do not take the trouble to get at the bottom of things.

A business man, of course, takes advantage of the liberal terms. Time is money, and if a house volunteers an extra month or two, he is willing to take it. As a rule, they allow you half per cent. extra per month for prepayment; so buy upon their terms if you *want to buy*, and *if the price is right*, and prepay them. But the tendency of the times is for the consumer to pay "cash," and get the best value possible for ready money; and to help their customers, it would be wiser to "shorten credit," and charge a lower price for the quicker turn-over and lessened risk. The secret of success in 1883 is "value for money." Goods cannot be sold cheaply, as they should be, to "cash" buyers whilst our system is one of reckless, foolish, indiscriminate "long credit."

"Dating on" is excused by saying trade is in a very depressed state. No doubt it is, and unless great caution is observed, the excessive glut of idle capital will lead to a deal of unsound speculative business. It may be difficult to do so, it is very unpleasant to have to do so, but it would be wiser to keep goods, as it is wiser to keep money till it can be legitimately used, than lend it rashly rather than not lend it at all. It is a calamity for the moneyed interest when the nation groans under the pressure of an abundance of money-lenders not able to find borrowers; capital in search of employment, and not able to find it. Trade being generally depressed, the cause cannot be for want of money; and the capitalist must have patience, and wait till the cause of the depression be removed. It should be a proof that the quantity of money does not of itself give the stimulus to domestic industry. Trade may be paralyzed when in full operation because money cannot be had, but money alone cannot set the wheels in motion. There was nothing to justify the difficulty in getting money during the last pressure. I have witnessed those of 1847, 1857, 1866, but the 1877, 1878 collapse seemed to make our bankers lose their nerve. What manufacturer or merchant feels disposed to launch out upon such an insecure sea as our currency, with their bankers acting in a certain manner up to the last moment, and in the hour of need, without the least warning, to object on some puerile objection, and return your paper? Why, inevitably, every prudent, sensible man resolves to curtail his operations, and not risk his position upon such an insecure basis. As before stated, I see no reason, if the Bank Act was altered to meet the requirements of 1883, why the Bank rate should be at any time over 6 per cent. The higher rate, the panic rates, are nothing to any solvent man doing a legitimate business. It is a little off my year's profit, and a little more in the banker's or money-lender's. We must all have our innings; but what we

object to is that there should be any difficulty in getting money when wanted, and, after being refused, is lent. Then you open up a new aspect of the case, that crushes by its uncertainty the actions of the man, and all operations are necessarily for a time curtailed. This is the real evil of all panics—the depriving of solvent houses of the means of meeting their legitimate engagements. Banking ought to be done upon a certain system; bills of regular customers that are taken for certain sums or at certain dates ought not to be objected to at a time of pressure, when the market is not open to the customer. Six months' bills are right or wrong; if right, they should be taken at one time as at another; if wrong, they should not be taken at any time, no matter how plentiful money may be. If there be any deviation, it should be in being more liberal at the difficult time to the regular customer, unless his credit is unsatisfactory, or the amount of bills under discount much larger than usual. Bankers, of all men, should be superior to nerveless fear, as by such actions wealthy men may be ruined. Manufacturers deprived of the means of executing their orders, thousands thrown out of employment, the national industry paralyzed, the progress of useful works stopped, through want of confidence, and the usual facilities of getting money stopped,—such are the effects of pressure in the money market. The high rate is a mere bagatelle; the stoppage of a man's credit, the limiting and restricting his loan account, or refusing to discount this or that paper, being the real evil that causes an immediate paralysis of trade. Bankers, as a rule, are too liberal; their great fault is that, like an indulgent father, they suddenly, without cause or reason, refuse the helping hand they have heretofore so liberally given. Times of pressure, of course, are very trying to bankers, and fluctuations in the value of money generally injurious. When money is abundant they get the minimum of profit, and are tempted to make imprudent investments, in order to employ their funds; and when money is scarce the rate of interest on deposits is advanced, and although they get the advantages on the balances of the current accounts and their own capital of the higher rate of interest, on the other hand they have to keep a larger sum unemployed in the till, ready in case of a rush, and there is more danger from losses by the failing of customers, or from the necessity of realizing the securities they hold. As a rule, the extremes of abundance and scarcity of money are unfavourable to banking profits. A state in which money is easy without being abundant, and valuable without being scarce, is the most conducive to the prosperity of both the banking and the commercial interests of the country.

RENT.

It is surprising how many sensible men lose their balance over that bugbear, "rent." What is "rent"? A, having capital, invests his money in the purchase of land; B, who lives by his skill and labour in extracting from land those products kind nature has bestowed upon the earth, offers to pay A a certain rent for the use of his land. The rent, by a certain class of thinkers, is said to be "unfair"—viz., that as land is limited, and the demand for it unlimited, therefore the State must step in and protect the weak tenant from the strong landlord. But it is a well-known fact to all political economists and those who understand the law of "supply and demand," that the capitalist class will bid against each other for any and every article or investment, land or otherwise, until it realizes a price that will yield to the buyer a rate of interest according to the value of money and the remuneration it is obtaining at the time. A having bought the land at its market price, asks of B a rent that will give him in return for his money a rate of interest equal to what "money" is getting. And I fail to see why "rent" is to be arbitrarily reduced by the Legislature, any more than the manufacturers', merchants', bankers', or any other investors' interest from capital embarked in their respective occupations. Some argue that as the farmer's capital depends upon the seasons, over which he has no control, the State should protect his capital from confiscation; but it is a very serious matter for the State to try and meet every "exceptional" condition in the struggle for life of its individual members. It seems to me that when a statesman leaves "principle" for "expediency," he not only takes a very dangerous, but a very arrogant step when he puts himself or his laws in the "place of Providence" to help people. Any man worthy of being a statesman must know he has not the power to put aside the law of "supply and demand." It is absurd to talk of landlords being cruel and exacting in asking for the interest, called rent, for the use of their property—a rent you have agreed to pay, a rent that if you cannot make the land yield, others more able and skilful can. Besides, all the Court can do is to make the present tenant's landlord take £10 instead of £20. The tenant knows its real value; and when he parts with it, he will exact a premium from his successor, the interest of

which will be equivalent to the £10 per year the law has robbed the landlord of; so that it is only the present tenant who is benefited by the Act, and to the extent of his benefit is the amount of loss by the landlord. The whole action of the Land Law, in its every aspect, rightly or wrongly, is but to "transfer property from one man's pocket into another's." The price of commodities, rent of land, interest of money, the State has no control over, and it is unwise for it to interfere. If the law is to reduce rent because a farmer says he cannot pay it after having promised to do so, the law may reduce interest and the price of commodities for a similar reason. If the farmer is to be helped because he has a bad season, why not help the tradesman who suffers also by bad seasons, unfavourable weather, the change of fashion, &c.? If the State reduces the landlord's rent because of a bad season, to be fair to both parties, the State, as a matter of equity, should make the farmer pay more rent to the landlord when he has a good one. The result is due to the inherent productive power of the land; and if the owner of the land has less because the yield is bad, he is entitled to more when the yield is good. In taking a house or farm for a period, the rent is based upon the "average" result—the only fair method between buyer and seller. It is not honest to subtract for a bad year, unless you are equally prepared to give more when you have a good one. But time will show, with rent, as it has proved with all other attempts to regulate prices, the wisest policy is "non-intervention." Let buyers and sellers make their own bargains. "Ah!" some one says, "but the landlord has rights beyond other traders; he can distrain for his rent, whereas a tradesman has to accept a composition." But is a trader satisfied with the same rate of interest as a landowner? If the landlord class are to be liable to bad debts, rent generally must be increased to pay a larger interest, to cover the increased risk of loss. Consols go to par in times of peace and prosperity, but in times of war they fall to a price that will yield an interest to cover the increased risk. It is the same with everything, and no power on earth can stop the natural action of the law that regulates interest according to the safety or risk of the investment. "Extortionate rent" is a fallacy; an article will, can only fetch what it is worth. If you give 20s. for a thing worth 10s., who is to blame? Can the State find "brains" and common sense for its people? "Bad seasons!" has it taken us till the year 1883 to find out there are bad seasons? They are necessary evils, to teach the people to be "thrifty." Farmers, like traders, with the necessary capital, enterprise, industry, and energy, will prosper, spite of, because they are prepared for, bad seasons. The duty of the State is to leave men to the action of nature's law, "the survival of the fittest," and time will

soon get the incapable men out, and their places will be taken by those who have the capital, skill, and energy to extract from the land the greatest yield that can be obtained therefrom. Debt for the occupation of land differs in no essential point from debt of other kinds; it only differs because it is easier for the Radicals to misrepresent it to the imagination of the tenants. The value of land depends on supply and demand; its price must, spite of all man's laws, be what it will fetch in the open market, and this is regulated to a great extent by the productiveness of the land. It is a fact that rent must fall as the value of what can be got out of land decreases, and the value of land, like the value of Consols, depends upon the value of money; people buy it at that price which will, in the rent paid for its use, give the interest the money is entitled to. There are no worse counsellors for the State than those who try to make justice look like tyranny, or laws that are really robbing Peter to pay Paul, to look like justice. Such tricks mean destruction to the State, a stoppage of progress; it is holding out to the eyes of the people a land of promise that seems to give them heaven for hell, but which will be found by the sternness of reality to conceal a wilderness so hideous, that, by comparison, their present condition is a paradise. For, putting aside all plausible sophistry, it is the attempt to substitute might for right, law for justice—law supporting the radical idea that "property is theft;" and a law that begins with land must ultimately attack all property, or, at least, all those gradations of property by which society is made to have a base and a summit, with the many poor below and the rich few above. No law can permanently get over the difficulty created by a large demand and a small supply; no legislation can stop, divert, or control the action of such natural laws. We may hedge about any system of tenure with endless legal technicalities and restrictions, but we can never, practically speaking, prohibit a man who has a distinct interest in land from dealing with it to his best advantage. We may fix judicial rents, but we cannot stop the seller from getting of the buyer what land is worth in the shape of fines and premiums. We cannot prevent tenants or small freeholders from selling or letting their property at the best price they can get. We cannot prevent copyholders from selling their interest, or borrowing money on it, which amounts to the same thing as putting an increased rent upon the land. We may transfer the power of taking more for land than we think it is worth from A to B, but we cannot destroy that power. Nothing can do so but a natural adjustment of prices. Such natural adjustment can only be brought about through the growth of sounder economic ideas, through an increase in the quantity of

land, a decrease in the number of people wanting it, or the discovery by them of some means of support other than agriculture. To improve society is one thing; to pull it down, another. It is wise occasionally to remove the rubbish and lumber; it is very unwise to put our crowbar to props and pillars as well. Real reformation is to ameliorate, not to destroy, society. Too many people think, if Parliament does a thing, it must be right—that it is omnipotent and irresponsible, and that no form of property is held but at its will. So a certain section who use the word "equality" for the purpose of holding a *higher* place in society, say, "Expropriate the landlords, and redistribute their land." And, judging by what has been done, it is conceivable that Parliament may do this—nay, much more than this. But, though it made laws and unmade them, it would still be not omnipotent; there would all the time be a greater law-giver than it, whose laws it might, indeed, break, but not long with impunity. That law-giver is human nature itself, and its laws are those by which all human civilization is compelled to construct itself—the laws of property, of inequality, and of obedience. These laws, it is true, may seem hard; but under some of her aspects is not Nature hard everywhere, and is she not more hard on us the more we disregard her? And this social law of hers is indeed a stone which, if it falls on us, will grind us all to powder. Politicians who think they can act so as to elude these laws, are dangerous; they are luring the nation to dissolution, under the guise of progress. Such men cannot be too strongly reminded that there are two prospects open to men—advance and retrogression; and that the latter is as possible as the former, has been taught us terribly many times by history. The surest means to insure retrogression are attempts at impossible progress by passing human laws with an idea of putting aside natural laws. By such action during any crisis in our history, civilization is much retarded; we lose in a few weeks the results of many ages—the belief in the justness of natural laws. We are too apt to forget that barbarism is only a few steps behind us, and as soon as we lose a few paces, or begin to go back, it recommences. Our civilization is not the first that the world has known; in some ways it is not the greatest, and there is no reason whatever to suppose that it is exceptionally stable. To insure progress, to maintain our position, to prevent dissolution, we need a greater knowledge of, and more faithful obedience to, the economic laws. We want a true Conservative policy to strengthen the building in all its weak parts, to remove all unnecessary ballast or expenses that over-weight the vessel; we want extra supports to the pillars to preserve the building, and not the throwing aside of the principal timbers, "liberty" and "justice," without which the

desire to "acquire" will languish and die; and few understand what a powerful leverage this desire to "possess," and to get interest on what we have saved by self-denial and thrift, has been in sending the good barque Civilization so far on her road.

There are men so utterly idle, incompetent, or thriftless, that they must go to ruin. You cannot alter this by Act of Parliament; "*you must alter the men.*" The Ballot was to stop bribery and corruption; the Election of 1880 was the vilest in our history. It is the same with the Land Law. It is not the system that is wrong; *it is the tenants.* The real statesman, the real patriot, the only man worthy of our homage, is he who tries to alter the tenants, to alter the voters—who teaches both to respect their manhood, teaches both their *duties* to the State, teaches both to rise above the mere selfish indulgence of the moment. It is a sign of weakness, morally and intellectually, to use the power of the law to pander to their idleness, thriftlessness, and want of moral sense, by yielding to their demands under the plea of "help against oppression." This was the cry for the Ballot, and for the Land Law; and the latter will no more cure the evil than the former has. We come of a good stock; our forefathers fought manfully for our institutions; we have been a law-abiding people; but we are apt to be led away by the picture of the "rich landlord and the poor tenant." We do this because we all of us have an idea that we pay "too much rent;" yet fail to see how illogical is our complaint, as we would not part with what we have without being paid a premium for it. Is it or is it not a fact, that we no sooner get possession of a man's house or land for a period of years, and wish to sell it, than we want a large sum as a premium for parting with it? The appeal to the masses to touch property requires the greatest care; and statesmen should remember this fact, that, up to the present moment, a want of respect for, or equality in, property has meant the same thing as savagery, and that respect for, and inequality in, property has always coexisted with what we mean by civilization; it has always, that is, coexisted with every kind of progress. Do not be misled by those good-hearted but bad advisers who tell you "men are to be considered before wealth;" therefore free trade, machinery, letting "a limited class have possession of the land," &c., is a crime against humanity. It is not true. Free trade, machinery, rent left to the value land fetches in the open market, supporting *more* and not fewer inhabitants, all inventions, the removal of any restrictions or monopoly, the sacredness of life, the security of property, the inviolability of contracts, the more a nation recognizes its duty in fulfilling all its obligations as a sacred duty,—these are all conducive to peace and prosperity, all rouse

man's highest faculties, urge him upward. It is not the spendthrift, but the thrifty, that helps forward progress; to acquire, to possess, to increase the national capital, is essential for progress in the arts, for progress in the sciences, for progress in the conquest by mind of matter. Every heritage of thought, or beauty, or legal wisdom, that has come down to us from the past, has come down to us from societies built up by inequality, and divided into rich and poor, privileged and unprivileged. There is not one of the great civilizations of the past but tells with a solemn plainness this hard truth. Babylon and Egypt, Athens and Rome, and modern Europe through all its changes, are all unanimous and unequivocal in their witness to the truth of this law of nations, "inequality," and that the steady progress of civilization has depended upon, as it can only subsist by, the sacredness of life and property by every member of the community. Therefore, I ask the people to hesitate before they accept the radical dream of the future, which is to unite, what have hitherto seemed incompatible, the amenities of progressive civilization with a disregard to the rights of property, with the equality of stagnant savagery. To purify and elevate national life, we must give stability of character to the individual; teach him self-help, self-reliance, thrift. There can be no progress except by peaceful reform of the Constitution. Laws must be made to protect the property of all alike—the landlord as well as the tenant, the employer as well as the employed; not to benefit the poor at the expense of the rich, or *vice versâ*.

The position of landlord and tenant is that of seller and buyer. The landlord has land or houses to sell or let, and the tenant is in a position to buy or to hire. If he buys, he takes for "better or worse" what the landlord has to sell; if he hires, he does so at such a rent as will yield the landlord interest for his invested capital, based upon the value of the property at the time the contract is made. If the land or house improves in value during the tenancy, the tenant, by his lease, gets the benefit for the period; if it deteriorates in value, the tenant is a loser. Some land is worth more, other land less; some houses are worth more, others less: the average has to be taken. But there is nothing in land or houses that justifies any exception in their favour by the law; they are commodities, and their value must be left to the law of supply and demand. If a tenant contracts to pay for land or house more than either is worth to him for the purpose he takes it for, he must, like any other foolish buyer, pay for his want of prudence. If "Acts of Parliament" could supply people with brains, and teach them to use them wisely, they would be of some benefit; but it must be remembered that the Government does

not earn *one penny*. All the Government ought to do is to act as a kind of internal and external police to protect the lives and properties of its subjects. It may be accepted as a truism that the wiser people are, the less they will ask the Government to do for them, and the more they wish the Government to do for them, the *less capable* they must be to manage their own affairs. The Government, by its Acts, may put the burden of taxation unequally upon the people, and so relieve A, but it can only do this at the expense of B. The Government might buy up all the land and houses, but it must borrow the money to do so; for that money interest would have to be paid, and the Government would have to charge the tenant, in the form of interest, what the landlord now charges in the form of rent. The interest would have to be paid to the national creditor; so any rebate or concession made by the Government to the tenant *would have to be made* good by the *tax-payers*. Do not forget this fact, that the Government can only give to A by taking from B; it has not a groat of its own, and can only give to one what it takes from another. "Protection," under the plea of "exceptional legislation," is only our old enemy in disguise; it is a deviation from sound principle; it is unjust. A true statesman will see that the necessary duties of Government are done as efficiently and economically as possible, and endeavours to make each subject pay his proper share for that protection to his life and property that the Government should secure for him.

In new countries there is abundance of land, but capital and labour are scarce; to tempt "capital and labour" to new places, a larger rate of wage and interest must be offered; but, as the "new countries get occupied," we find there, as in the old, land gradually rising in value, capital and labour getting less. Why? Because the land, that was valueless, not being wanted, is now of value; men are bidding for the "best sites;" the price, by the law of supply and demand, goes up. Capital and labour, on the other hand, have increased as the place has become settled; there is more comfort, greater security for life and property. A lower remuneration would attract more than formerly; there is more competition; the wages for labour, and the interest for capital, get less. The same law applies to land and houses: the rent goes up to a price that will pay the current rate of interest that money is worth; the persons who reap the advantage of the increased value of the land and houses are those who were fortunate enough to buy the article when it was cheap, and have kept it till it was dear. But I fail to see why the owner of land or houses should be deprived of a privilege that all "other buyers" possess. Because, in the time of Napoleon, or during the war with America, the public funds went down to a very low price, we do not

think of stopping the holder of Consols from reaping the benefit of selling during the time of peace. The same with mines—in fact, everything; every day, things are sold at an increased price. Why should the man who has drawn a prize in land or houses be deprived of the natural result of a successful investment? He buys his land or his houses subject to the universal law of "improvement or deterioration" by the action of time, and has as much right to the increased value in his speculation in land as in any other commodity.

What is a landlord, and what is a tenant? They are persons who have entered into a contract with each other, and they are nothing more. The one has contracted to hire land, the other has contracted to let it, on such terms as may be agreed upon between them, and embodied in the contract; that is all. Whatever the lease into which they have entered binds them to do, they are bound to do, and they are bound to nothing else. Their rights are in their lease; and beyond that lease they have none, either at law or in equity, except so far as those rights are modified by the custom of the country which is included in the contract. What has the Legislature to do with two persons who have no other connection with each other than a contract which they, being of legal age, and thoroughly aware of what they are doing, have seen fit to make for their mutual advantage? The answer is plain enough—"Let them alone." The law, we are told, is no respecter of persons; in its eyes rich and poor are alike. It does not give the rich man any advantage because he is rich, nor the poor man any leniency because he is poor. The law, to be "impartially just," must utterly exclude all considerations except whether the parties are of sound mind, legal age, and not contracting to do anything unlawful. The language of our law is that of the most "unlimited freedom;" every man is free to do as he will, subject to two restrictions only—the one, that he shall do nothing against the law of the land; the other, that he shall do nothing against the law that he has laid down for himself by his own contracts. All that the law has any right to do is to see that such contracts are carried out, to give its help in making those pay who refuse so to do. We hear a great deal about the tenant's improvements giving him an interest in the property, but very little is said about the other side of the picture—the risk the landlord runs of not getting his rent, if there be a bad season, or from bad health, idleness, or a deterioration of his property through bad cultivation. But the real point is, are we to constitute ourselves a kind of "guardian" for the Irish tenant? are we to treat him as not fit to manage his own affairs? Is the Irish peasant a responsible being, or not? If

he be so, we must leave him to manage his affairs for himself, like any other rational and responsible being of full age. The Irish mind is far too extensively given to the cultivation of land, to the neglect of safer and more profitable industries. The Land Act of Mr. Gladstone will stimulate this most unfortunate tendency. Absenteeism is a great evil; the Land Act will make the position of resident proprietors intolerable. Capital is wanted to develop the land and other natural resources; the Land Act is an attempt to put aside the benefits that would naturally follow wise investment of capital; it is an attempt by law to "fix the price" of a commodity; it is an effort that must drain capital out of the country, and with it that *confidence* by which alone nations can make progress.

National success needs "capital and confidence." The fertility of Ireland has never been fully developed, because "confidence," the parent of *all* development, has been absent. "Confidence" is needed by capitalist, landlord, and tenant. What incentive is there to a tenant to improve the land he occupies unless he feels confident of securing the fruits of his capital, skill, and labour? To protect the tenant, therefore, as well as the landlord, it is imperative that it be distinctly understood that no man has a right to, or can, obtain land except by honest purchase. To purchase, needs capital; capital is gained by thrift, by saving; and to save, all men must be left free to work, and be protected in their industry. No scheme will satisfy all classes, but any scheme will do an incalculable benefit that "confers upon the occupier that security and confidence," that he is encouraged to do justice to those natural advantages which the Almighty has so liberally bestowed upon his country, and gains contentment and self-respect through the enjoyment of independence and the unhampered and free exercise of his industrial occupation. It is the highest system of national economy to have such land laws as will encourage every tenant to take a substantial interest in the improvements on a farm of which he thereby becomes part owner as well as holder. Not only law, but morality, demands that as the landlord has only a right to the *raw material* on which he has spent nothing, therefore the tenant, and the tenant only, has the right to any improved value he, by his capital, skill, or industry, has given to that raw material lent to him. The increased value is there, and has got there by the money and energy of the tenant; and at a re-letting, at the expiration of a lease, or at the selling thereof, the tenant only has the right to be paid for the increased value of what he has to sell, over what it was worth when he bought it. The landlord has only a right to an increased rental at a re-letting. If the land generally about his neighbourhood has,

from this or that reason, risen in market value, he has no right to an increased rental at the expiration of a lease, whether it be of farm, warehouse, or house; because of the money or energy, or both, spent on a house by his tenant, common honesty demands that all such improvements should be considered as absolutely the tenant's own.

The Land Act is an Act of Parliament that puts in the place of landlord and tenant a court, a triumvirate, to manage the landed property of Ireland. It is an Act of Parliament that takes away the right of A to make a contract with B; it is an Act of Parliament to put aside nature's law of "supply and demand" for the regulation of prices between buyer and seller, lender and borrower, and it takes to itself the office of fixing a "fair rent," which has been defined as being such a rent as the tenant can afford to pay for the use of the land. It is admitted by all thoughtful men that, for any permanent improvement of Ireland, the Irish people must become more self-helpful, self-reliant, self-dependent. To effect this, we pass an Act of Parliament that takes away the usual incentives to industry and thrift, as the Act virtually gives perpetuity of tenure—viz., leases renewable every fifteen years at such rents as the Court thinks fair at the time of renewal. The Act will only confer a benefit upon the present occupiers at the expense of the landlords, as the successors of the present tenants will have to pay for the holdings what they are worth, and farms, like trades, will be sold for a "goodwill." There is no evading nature's laws. Wealth is not created by Acts of Parliament. Study every Act that has ever been passed to regulate the price of labour, land, money, &c., and you will find its action is to benefit Peter at the expense of Paul. By this Act the value of the fee-simple is taken away from the owner and transferred to the occupant, and there its benefit ends. That it is simply a benefit to the present occupants, let us imagine going back to the law that gave officers a property in their commissions; it would be a great benefit to the "present" officers, who would have a *saleable* value attached to *what they had not bought*, but it would be benefiting them at the expense of those who succeeded them, and who would have *to pay them* to get the commission. With the Irish land, the tenant will be able to sell a something for money that he never bought; the law having handed over to him for "nothing" what the landlord had legally inherited, or purchased and paid for. To use plain language, the Land Acts of 1870 and 1881, no matter what their intentions, are "legalized robberies." The capital value of the land has been reduced "one-third" by the Act of 1881, by artificially restricting the area of competition. Sentimentally, it may seem right that land being limited.

must be treated in a different way to corn. It is argued that because wealthy men have paid more for land than it is worth to have the right to use or control the use of it, the rent has been artificially increased; but it is not so; land has realized its price, subject to competition; and you have no more right to say land has realized an abnormal price because of the varied interests that bid to get it, than you have to say pears shall not fetch 3d. each because the price is higher than the majority can pay. This will be the operation of the Act. It is "protection" to present "occupiers' interests" at the expense of the landlord, and it shuts out of the market a large class of land buyers, and lessens the number of bidders, from the risk to buyers of being shot, and deters others who fear that in 1891 the then Government will repudiate and cancel contracts made between landlord and tenant under the Act of 1881, as the present Government has put aside its own offspring of 1870. The tenants, or rather the "present occupiers," should indeed be well satisfied with an Act that virtually hands over to them the land of Ireland at their "own price," as its action will exclude all other bidders.

On July 22, 1881, in the House of Commons, Mr. Gladstone said: "If they were to pass a law providing that rents in Ireland should be reduced to Griffith's valuation, that would be a case for compensation." By a parity of reasoning, if an Act is passed as a matter of "public policy," and admitted to be "economically unsound," it seems only fair that the landlord who can prove that he has suffered through its action should also be entitled to compensation. In the same speech Mr. Gladstone justified the Land Law by saying that "the State, on the ground of policy, on the ground of humanity, on the ground of general utility, interfered with private property. The State had at one time endeavoured to fix wages, but nobody ever heard that compensation was claimed for a class whose wages had been reduced. The State, until very recently, maintained laws which forbade persons in times of scarcity to sell beyond the market price, but nobody ever heard of a claim for compensation on the part of those persons whose private interests were thereby injured. And that was a very much stronger case than the case now before the Committee. The State had again and again limited the access of employers to the labour market, and had made labour comparatively dear by means of that action; but employers did not on that account come to the House and lodge a claim for compensation." You will perceive the hollowness of such an argument, when you recollect that Adam Smith proved that the State had been most fatally wrong in all these attempts to regulate the price of money, wages, land, or any commodity. The plausible sophistry of the most skilled rhetorician

of his age may throw dust in the eyes of his infatuated followers, but to me it is pitiful that so fine a career should be marred by trying to "improve upon the laws of God." It looks weak for the Premier to have to justify his doing wrong by referring to the past, when the "same wrongs" were done, as men suffered the ague, by infringing laws whose action they were then ignorant of. With the ague, we found out the cause, and a man would be considered criminal who brought the disease back "because it had been." History will require, when weighing the character of the gifted author of the Land Act, some stronger justification than "that the State, on the ground of policy, &c., *had used* to interfere with private property." Every intelligent man knows, no one knows better than the highly talented author of the "Irish Land Bill," that the Act is a distinct violation of the principles of political economy. If so, it is acting in opposition to the natural laws, the laws of the Creator, that are *never* infringed with impunity; no matter how good the motive, the inevitable punishment *must* follow; wrong cannot be made right, even by the genius of a Gladstone. The Act is not the "doing to others as we would be done by;" it is transferring the just rights of a class in land, either purchased or inherited by them. It is a measure of confiscation pure and simple. It is passed under the plea of expediency. It will not accomplish what it is intended to do—"be a message of peace"—but will set landlords as well as tenants against us. Such laws are contrary not only to political economy, but against all theories upon which civilized nations have been governed in the past. If legislation is to step in and take from a man what is honestly and legally his own, the nation so false to common honesty must perish, and deservedly so, under the scorn of a civilization whose interest she has so basely betrayed.

To those who have objected to recent "land" legislation, the reply "that something must be done" has been considered sufficient. It is true that something "had to be done," and that something should have been to tell "landlords and tenants" that landowning and farming are "businesses," and are governed by the same general principles or laws as other businesses, and that tenants have no more right to State "protection" than manufacturers, merchants, or retailers have. Let us review the position. The landlord wants to sell the right to use his land for a time, the farmer wants to buy the use of it for a time; let them use their common sense, and make a bargain, as other buyers and sellers do, and let the law simply do for both what it does for other creditors and debtors—keep intact and sacred the contracts made between them. We have passed the time for letting land on feudal principles; the days of protection have gone;

we have ceased to protect the produce of the farm; yet the "free traders" are inconsistent enough to want to protect the "farmer." The State can do this; has decided to do it; but in time the "people" must see that it is reverting to the old idea of "protecting a certain trade under the mistaken idea that that trade is subject to something exceptional." I deny the wisdom of any policy based upon "expediency," or because it is "exceptional." The men who legislate for mankind with this opinion in politics are akin to those who, in religious matters, treat mankind as if subject to "divine interposition on their behalf," who still cling to the miraculous, who refuse to see that the world is governed by "law"—"invariable law"—and that "fixed law" is the most just system for *all*: that any alteration is to "protect" the "few" at the expense of the many. We hear a great deal against the "landlords" as a class; time will show whether the tenant or the landlord will be the gainer by the change from the feudal idea to that of free trade. Bear in mind, under the feudal idea large reductions were made in bad times by the landlords out of a spirit of kindness; it is now demanded, and sanctioned by Parliament, as a right. But you must either take the land upon one principle or the other; you cannot have the advantage of both. If you decide upon "free and open contract," as an honest man you are bound to pay the rent you have agreed to; the State may release you, as it does debtors by the Bankruptcy Act, but it is a collusion by State and tenant to rob the landlord. Having agreed to pay £50 yearly for the use of a bit of land for seven years, you have no more moral, and should have no more legal right to pay the landlord "less" than he would have to demand "more." It is a contract, a bargain, like marriage for better or for worse, and the "honest man" will fulfil his part, and pay the rent, as he would any other debt or liability he had contracted. To cut down rent by the State is going back to feudalism; it is sacrificing your right to act for yourselves; it is going back from manhood to childhood. It is a suicidal policy for "free men" to put themselves voluntarily under the protection of the State. It is worse—it is "dishonest;" the intent is to relieve you from paying your just debts. If you are insolvent, go through the Court, give up what you have, like honest men, and begin again. The whole tendency of the Land Act is to enable men to evade their just debts, and the Arrears Bill lets them keep assets that should go to pay off their liabilities. To cut down rent on some arbitrary feudal principle, regardless of the true value of the land, is to put aside the plainest rights of ownership, is contrary to what has been done in any civilized country for centuries, is opposed to that "free contract" between landlord and tenant that political economy says

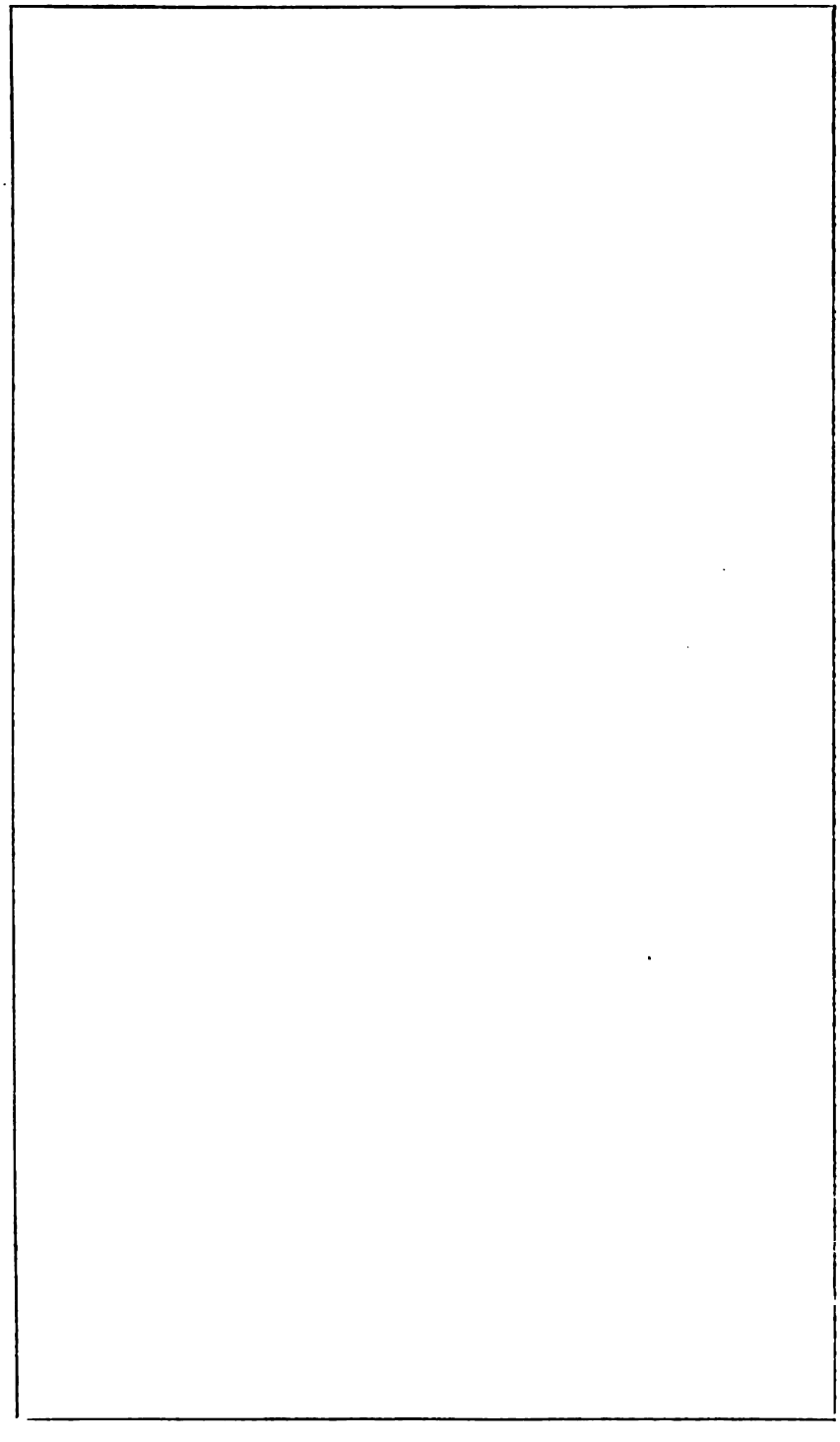
is the best for both parties, and that reason and common sense tell us must be the policy; as the world has passed beyond feudalism, and it would be the first step in our downfall if we try to go back thereto. To ask State aid is a sign of weakness, of going backward. No soceity that is developing, that is moving upward and onward, will give up its right to "free contract." Acts of Parliament in favour of tenants are Acts of protection, wholly unsound in principle, and only passed because of the "specious pretence" that they are necessary to protect the tenant's capital. If the State were to offer me such a "protection," I would refuse it with disgust; no bait, however well gilded, would be an equivalent to sacrificing the right to make my own bargains either as landowner, tenant, manufacturer, or distributor. Hiring land or a house, or anything else, is the buying of it for a limited term under certain conditions. When the bargain has been made, it should be kept; to try to evade the conditions, to refuse to pay because "you were not on equal terms" with the seller, is shuffling; for the law to step in and not only excuse your dishonesty, but "fix" the price you have to pay for the remainder of the term, is one of the most unscrupulous actions in modern times. No doubt the past ten years have been bad with farmers, but so also have the past six years been bad for manufacturers and distributors; but we shall not make matters better by having false views of what makes the nation prosper. Our future prosperity as a nation will depend upon a clear perception of the fact that men must be "free" to make their own contracts; and that as the law will give its aid in seeing that all contracts are kept, "tenants" must exercise more common sense, and reflect more before taking land or houses, must see their way to pay what they undertake to do, or wisely abstain from putting upon their backs a burden heavier than they can bear. To tell the people to appeal to the State for protection, against their own want of forethought, is to demoralize them, to pauperize them, to ruin them, body and soul.

Common sense coincides with authority as to the law of rent. "There are few persons who have refused their assent to it, except from not having thoroughly understood it. The loose and inaccurate way in which it is often apprehended by those who affect to refute it, is very remarkable" (Mill). "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use" (Ricardo). Just so; the rent depends upon its value to the party who has the use of it, the price varying according to what profit it yields to the user of it. The reduction of a man's rent, no doubt, is a boon, but it is not everything; it is reducing his expenses; but it would have been wiser and

better to have told him to strive harder, and "earn more" by judicious outlay in draining, manuring, growing as many things as possible; so that weather bad for one kind of his produce would be favourable to another. Tell them to try for more grass, milk, butter, stock of all kinds, and break through old habits and customs, discard the intermediate factors and salesmen, and deal direct with buyers—a gain alike to producer and consumer. Tell them to try their best, and if they cannot make it pay, give it up. The times need forbearance both sides, and to prevent a recurrence of agricultural distress, landowners must manage their estates, help the good tenant all they can to improve the yield of their land; and the farmer must grasp the fact that he is in "business," must know his business, must believe that if he manages properly, he will succeed, and that if he manages badly, he will fail, even if he had the use of the farm for nothing.

With farming, as in trade, there are good and bad years; in farming and in trade, things are very different to what they were. In both, men must understand their business, must give their mind and time to the work, must be ready and able to adjust themselves to all the changes and chances of each season; if there are some beyond their control, as the weather, there are sources of profit in farming, as in trade, that will depend wholly upon their own action. Farming is no mystery, but, as with any other trade, a knowledge of it is necessary, and, granted the necessary capital, skill, industry, and thrift, the profit will be satisfactory. As we sow we reap; success or failure may be traced to its causes. The man who has the necessary sense and judgment, and will use it in his business, who will work at his business, will be prudent and lay by in good seasons for the bad ones that are as certain to come as the night follows the day, need have no fear of failing in farming or trade; as, let the competition be ever so keen in any vocation, whilst "some can succeed," others, by adopting the same causes, would secure the same effects. The Consols are a debt due by the State, and the interest thereon is obtained from the tax-payers, who have to earn it—how, the State does not inquire. No false notions here; the State compels you to pay your liability to her; no use saying "you are not on equal conditions." You may have £200 a-year Poor-rate to pay upon an Irish estate that should bring you in £650 a-year, but from which you have not had a penny for four years; the State allows no excuses; she is a hard creditor, and men knowing there is no escape, "pay." So with land, let the State be as firm: "You want to use this man's land or house; be honest, and pay him, or if you will not, we will compel you, if you have wherewith to pay the rent."

ECONOMY.



ECONOMY.

THRIFT.

"Think naught a trifle, though it small appear;
Small sand the mountain, moments make the year;
And trifles life."

YOUNG.

"One has always time enough, if one will apply it well." "Make the most of time, it flies away so fast; and yet method will teach you to win time."—GOETHE.

"BE no man's debtor." I can give you no better motto to rule your life by—whether as son to parent, employé to employer, husband to wife, father to child, debtor to creditor, or creditor to debtor; resolve to be under obligations to no man, indebted to none. Thrift is the seed that must be sown before you can reap the subsequent harvest, that pecuniary independence essential to a life of virtue and happiness. There is no sacrifice too great to avoid the misery of debt. Think of what is due to yourself as a man, and do thy duty manfully, resolved to be "no man's debtor." "Very well for you," say some; "fortune has favoured you; you have been one of the fortunate ones in this life. Only those who wear the shoes know where they pinch." Mine has been a hard, uphill fight from the first to the last; and when comparing your life with that of others, it is as well to remember that in every life, even in those which seem brightest and fairest, there is some grave where dead hopes and unfulfilled dreams lie buried. Many of these unfulfilled hopes of life would be accomplished if men generally began their lives thriftily, and were endowed with that right self-respect which forbids a man to owe anything to another. No man who has willingly earned and eaten bread from his own labour, and felt as a man should the pleasure thereof, would ever submit to the loss of

independent self-respect involved in being under an obligation to another for bread to eat. If men began as boys to save a little, no matter how little, they would find their money grow year by year, somehow or another. Investigate into the causes of men's success, and the "first seed" will be traceable to "very small beginnings," by means of which, and an adherence to the same rule of prudence throughout their lives, they have acquired very large fortunes and great influence. This is certain: no man can rise without he is able to practise self-denial, self-restraint, the backbone of good habits, the solid base upon which alone success is permanent. There are men, by a lucky chance, that are wafted to a height without this salutary habit; but with this class it will be found that before their life is over, the good fortune which had borne them aloft for a time seems to have left them, and they collapse as quickly as they rose. The great secret is to realize early that life is short, and that one must make his mark before he is thirty, as although there are instances of men whose opportunities have come for the display of their special powers after middle age, when they have got the other side of the hill, such instances are rare, and the "name must be written on the wall" as one climbs up the hill, or not at all. It is then we feel our power to mould circumstances to our will. When we turn the corner with nothing done, the conviction daily grows strong within us that circumstances have been against us, and thwarted our best efforts. When this idea gets into our brain we are lost, we cease to look for examples to stimulate us forward; as, once having succumbed to the fatal theory of the force of circumstances, our actions are limited and dwarfed to the necessities of their demands. It is a common mistake to suppose old men must be decayed in their intellects. Lots of men have before them years of health, vigour, and increasing ability; but once haunted with the idea of impending decrepitude, let a man think that his constitution is to be henceforth a prey to this, that, or the other disease—that his faculties are on the wane,—well, then, you may rest assured that the best part of his life has gone by; henceforth he will lack the heart and energy for any continuous effort. It may be well sometimes for a man to anticipate the sunset of life; we all ought to ponder more on its brevity; but the prudent, thrifty type of man will not prematurely give way to the assaults of time, or be terrified with an exaggerated view of that brevity, which paralyzes his activity, and discourages effort. The most manful, and, on the whole, the happiest lives, have been those of men who have "thought all men mortal but themselves;" men who do not indulge in physical introspection; men who do not magnify every little ailment into symptoms of physical failure, every

lapse of memory as indicative of decaying intellect; too prudent to think themselves justified in plunging into any enterprise after fifty, but too wise to be terrified and paralyzed by that haunting Nemesis of ill-used or non-used powers, "the fear that the constitution is giving way here and there, that one's work in this world is over."

Thrift, if not the highest good, is a real good. Paley is credited with the saying that "the greatest happiness in this changeable and mortal life belongs to the man who has a good conscience, a good digestion, and is not in debt,"—three excellent companions to have with us in the journey of life; and thrift is essential to the latter, if it be not also the best means of securing the two former benefits. "The love of money" may be "the root of all evil," but, if so, it is only when men fall from the "virtue of thrift" into the vice of avarice. Every vice is but a misuse or an abuse of a virtue. For a country to prosper, the individuals thereof must prosper; to insure this, needs on the part of the community more thrifty habits, more self-restraint, that thoughtful, careful self-denial which alone enables a man to be no man's debtor, nor his own enemy, but zealous to do his duty to his parents, his children, his employer or employés, his creditor and debtor, his wife, and all, in fact, who are dependent upon him. Thus by thrift we develop the qualities necessary for the formation of good citizens. Heine says that the chief of the Frankfort Rothschilds overhearing a Socialist in the street declaring that the wealth of the Rothschilds ought to be distributed among the people of Germany, the wealthy banker at once handed him a small coin, bidding him calculate the population of Germany and the reputed wealth of the Rothschilds, and be content with his share! The agitators imagine the parts are to be reversed, that distribution would put the mass into the position of the wealthy; whereas the division would only reduce the few to the level of the mass. Any one who has arrived at that era of his history in which memory more than hope governs the horizon of human life—who analyzes the motives and muses on the events of his own life's story, will see how these events have been influenced for the better or the worse, according to whether he has acted thriftily or not at certain turning points in his life, and will watch with greater interest, from this prudential point of view, that drama of life which, day by day, is unfolding itself about him; he will see more clearly that in what has seemed chance, in what men regard as mere chance work, there is order and design, and the success has been achieved, or the advantage lost, according to whether the previous training has enabled him to take advantage of

the accidental circumstances. For instance: Erskine made himself famous when the chance came to him of making a great forensic display; but it was to the thrifty use he had made of his time, the prudence he had displayed in training himself for the chance, that caused his success. Without this thrift the chance would only have made him ridiculous. In life, in all our lives, the occasion, great or otherwise, is worth to us just what the thrifty or thriftless use of the time and talent we have had given us enables us to make of it. It is said that "no battle is ever fought without blunders." As we look back, as the shadows deepen, we must confess to the great many blunders of our lives; and in few lives will there be a greater blunder than the want of thrift, more especially in the matter of decision. We hear of this or that man having made a very wise or unwise decision at a certain critical period of his life, that made or marred his future; and the world is apt to say of the man who decided rightly, "What a lucky fellow!" I deny the chance implied in the matter: the man decided rightly and quickly, because his whole previous life had been thriftily used in preparing himself for that particular minute of important action; so in an emergency, requiring vigour, he is able to act promptly. A woman runs away with her groom—the world is astonished, thinks it an act of impulse; but it is not; she has been acting most imprudently and most thriftlessly with her time to allow of such a debasement of heart and mind to conquer the culture and associations by which she is surrounded. You often see in the papers a man charged with an offence, and a host of witnesses speak to his previous good character, and express surprise at his being in such a position. He has wasted his time; instead of strengthening the outposts which command the citadel of conscience, he has been carelessly letting his mind get familiarized with acts, and has not been using thriftily the scruples nature supplies us with as a kind of outpost to the conscience. So, from want of prudence, if we let the outposts fall, one by one, the city at last surrenders. Marriage is unquestionably the most important event for the future happiness or misery of the man and woman; yet, probably, in no event of their lives is prudence less displayed: it is either done from calculation on the one hand, or left to "blind chance" on the other. Dean Alford said: "There are moments that are worth more than years. We cannot help it. There is no proportion between spaces of time in importance nor in value. A sick man may have the unwearied attendance of his physician for weeks, and then may perish in a minute because he is not by. A stray unthought-of five minutes may contain the event of a life. And this

all-important moment, this moment disproportionate to all other moments, who can tell when it will be upon us? What a lesson to have our resources for meeting it available and at hand!"

Mr. Arnold's "Turning Points in Life" is well worth reading, more especially his remarks upon "Habits." He says: "In London, indeed, more than anywhere else, 'habit' is the groundwork on which all the chequered incidents of life are displayed." And of all habits, thrift is the most essential to success, in my opinion, after thirty-eight years of commercial experience. Not in the narrow views generally told of "men saving" — a very important element, no doubt—but in the habit of mind that thriftily stores up every matter of detail, day by day, ready to be produced from the brain when needed. Such men look forward to the chances of life, and make it their business to prepare for such chances as may offer, and when the chances come for ability to be displayed they are found equal to the occasion. Talk of chance,—it is simply absurd. The lawyer who gets his chance for conducting a difficult case during the absence of his leader, the surgeon or doctor who gets his chance through being called in because the regular physician cannot attend, do not succeed through the chance, but because, by a thrifty use of their time and talent, they have prepared themselves to act skilfully, to display ability that will command their future success; the "chance" would be powerless to create the ability, had it not been thriftily reserved for the occasion. This habit of "thrift," as opposed to "waste," cannot be too early impressed on the young. Habit is the subtlest and strongest of all agencies; it is second nature, or rather the mould into which nature is thrown. All the foundations of character must be laid in the very earliest days. Impress on children the importance of thrift, that their destinies are shaped and framed by their habits; that although the best men by a natural gravitation will come to the front, and accident, or want of accident, only temporarily retard or repel them, yet the majority are not the best men, and that habits of thrift, well understood and persevered in, when recognized as the basis of their character, will be the best friend to help them forward in life. The absence of thrift is the cause of fully half the miseries of life. It is most important to check the lawlessness natural to man, to break his self-will to the yoke, to change the faculties from a confused, barbarian herd into a disciplined, orderly company. Thrift means making the best of everything—life, our faculties, the world in its entirety, made the most of; and above all other habits, it gives bone and sinew to the moral character, and enables it to resist the temptations of life.

"He who despises small things shall perish by little and little." The thrifty man neglects nothing; "he who is faithful in that which is greatest, is also faithful in that which is least." The thriftless is careless of *little* things at first, and then of big ones; for habits, when once ingrained, give an indomitable power over us; and it is right they should. All we have to do is to "form correct habits," as they not only give us a *facility* in doing a thing, but the *inclination* to do it. Aristotle points out that there is positive pain in resisting a formed habit. We are well repaid for attentive habits; they enable us to do our regular work almost unconsciously. If we had to deliberate on each action, the day would not suffice for its duties, but "what we have done before," if it has been attentively and thoroughly done, we do without an effort—intuitively, as it is termed; but the indolent, thriftless man is never ready, his forces are not at his command, or rather he has no forces, for he paid no attention, and has to go through the details each time over and over again, to do things that by proper thrift would be automatic. To start in the race of life with the slavery of evil habits, is to have but a poor chance of winning the prize—success. Some, unfortunately, through their own carelessness or that of others, start with a broken leg, and it is almost impossible for such to win; but the thrifty man will "make the best of what is." It will not make things better to be always groaning as you shoulder the crutch; have faith, and perhaps ere long you will admit that nature, with her countless adaptations, has some exquisite atonement for that which seemed marred and wasted. There is no more wretched victim in this world than the "moral wreck," caused by the dominant power of some evil habit. The most painful are those of men that have much that is winning and estimable about them—those men, we say, who are "nobody's enemy but their own;" such men are generally "thriftless," or they cannot say "No," or they are the helpless slaves of some vice or hideous passion—men without self-control, men who, Aristotle said, "are in a state that no remedies can amend." But modern philosophy is more hopeful. Physicians tell us that in the gradual amelioration of symptoms the constitutional vigour will be renewed, and the chronic disease thrown off; so it is in life,—we can conquer evil habits by the steady formation of better ones, by gradually ceasing to do evil, and learning to do well; and as the physician baffles the disease by prolonging the term between the recurrence of its symptoms until they cease altogether, so in life it will be found that if we will but earnestly grasp and hold by "good habits," especially that of "thrift," when the temptation to do ill returns, their visits will be fewer and farther between, and at last they will be altogether inoperative to

tempt us. There comes a time to most of us when the power of the temptation and the power of the resistance are closely balanced,—our future hangs upon the decision of a moment; and it will depend upon the habits we have formed, whether there is to be henceforth a gradual deterioration, a thriftless, wasted life, or we are to conquer the overmastering temptation, and be free to climb higher and higher.

"There is nothing too difficult to be obtained by those who will, before they act, reflect well themselves, and thoroughly consult with chosen friends." The rain, in whose nature there is no partiality, produces life in the garden, but only weeds in a barren soil; so we ought always to be ready for the opportunity. "As a poor man watched a thousand years before the gates of Paradise; then, while he snatched one little nap, it opened and shut." "Each is bounded by his nature, stand he in valley or on mountain. Scoop thou with hand, poor or rich, from ocean or fountain, thou canst but fill thy pitcher" (*Persian*). "That life is good which is not sustained by another. Whatever act depends on another, that act let a man carefully shun; but what depends on himself, to that let him studiously attend" (*Hindu*).

"What I am I have made myself: I can say this without vanity, and in pure simplicity of heart." So wrote Sir Humphrey Davy; and so every man might write who has succeeded, in whatever calling, and done his share of good work in the world. Help yourself, be self-made, by strenuous application, and method persistently persevered in. Every man has in him good and evil; remedy your weak places by strengthening the strong ones that govern and control the weaker inclinations. "All may do what has by man been done." "They can conquer who believe they can." Gain more self-confidence. Mr. Emerson has well said, "Success treads in every right step; in self-trust all the virtues are comprehended." "The best way to get help in the world is to help yourself. Show that you need aid, and all turn a cold shoulder; but prove that you can do without folks, and they will try to give you a lift." Teach men to make the best of their opportunities, to make the most of every chance that offers, to be thrifty; get them to be thrifty from conviction, from their own feeling of self-respect; it cannot be permanent without. Can you call men thrifty who are so by a system of "compulsory thrift"? Call it by the name of "national insurance," or what you will, it is compulsory, not voluntary; it is State help, not self-help. No doubt, as was written by F. Colquhoun in his "Treatise on Indigence," 1806, "a national system, which would enable the virtuous poor effectually to provide against pauperism, would be a *God-like work*." It would be impossible to

over-estimate the value of any system that prevented pauperism; and the Rev. W. L. Blackley deserves the thanks of every man for his attempt to supply the necessary remedy, and for the earnest manner in which he has, by his writings, speeches, and sermons, brought the same before the public notice, and it is with great regret that the following objections are made thereto. Mr. Blackley (page 44 of his collected "Essays on the Prevention of Pauperism") says that "no *sensible* objection has been expressed against the 'compulsory' part of his scheme—only the *sentimental* one, whispered here and there, which says, 'I do not like compulsion;'" and he reminds us that "many children object to medicine, but their parents, who know better, insist upon its administration." I object, absolutely, to "compulsion" as a means to secure what Mr. Blackley says (page 45) is the thing required—viz., "individual independence." This can only be secured by "thrift," which means self-help, self-denial, the individual having the power to spend, but "voluntarily" denying himself the power, abstaining from a present indulgence on principle, for future benefit, or possible need. Thrift will never be obtained by a system of "compulsory provision," which means the State compelling *every unit of the community* to put by a certain sum *in anticipation of his own need.* To *compel* a man to put by so much of his wages, or compel an employer to *deduct* so much of a man's wages, and put it by for him to meet the wants of sickness or old age, is to keep him in a state of dependence; it is *lowering*, not *elevating* him. He may be thereby made independent of poor relief, but is he made thereby self-reliant, self-dependent, or is he not rather deprived of his individuality? is he not deprived of liberty of action? is he not being levelled to a subject of autocratic Germany or to a soldier, to both of which we are referred? And pauperism ten times worse than it is seems to me preferable to a system that will reduce men to mere machines on the one hand, or on a par with the subjects of despotic states on the other.

Mr. Blackley (page 47) replies to an objector like myself, who argues against "compulsory thrift," and trying to make the people better by Act of Parliament, by stating he is in favour of "compulsory providence," and he assumes that as by his system the wage-earner, "*now disposed* to providence," will be able to do so at a cheaper rate, he will make no objection. Of course, all provident persons would be willing to see "compulsory providence," as it, to a certain extent, will protect them against the tribute levied by the thriftless and improvident; but the question is too broad for this £ s. d. basis. It is not a matter of reducing or extinguishing the Poor-rates, but of making the people now thriftless, thrifty; and the question is, whether

there are not other means, which, although they be more difficult, and would take longer, are really not the best in the end for mankind. Mr. Blackley refers us to the "School Board rate;" but, with all due respect, it seems the working of this Act is a reason why we should not put ourselves under Government control. Board School rates are far more expensive, without the education which they afford being, as the Inspectors' reports have shown again and again, any more efficient than that given in voluntary schools. Why does Mr. Blackley object to the Poor-rate, because the thrifty have to pay for the thriftless, and yet approve of the School rate, which does precisely the same thing; as the School Board rate makes the prudent A pay so much towards the teaching of the children of the improvident B? Education would have increased naturally, by the growth of that class who desire to rise; the disgust with their present social position, the resolve to rise higher, is the natural stimulus that would act in time; and nature's arrangements are such that they never fail to meet a need at the right time. Granted a demand, there will be supply; and although the general education of the people would be retarded, the self-reliant, self-dependent individuality of the people would not be undermined by this return to paternal government. Local option may stop the lower classes from spending so much on porter and gin, by limiting the places where they can be had, or lessening the hours they can be obtained; but the only real remedy is to make the people superior to such attractions by putting before them others of a more legitimate character. So with "compulsory providence," it may be an improvement on the present plan, but it is not the way to make the people thrifty or provident; on the contrary, it is treating them, as a body, as if they were all little children, whose money their parents must take care of for them, because they are not fit to be trusted with it themselves. Any measure that does not remove the cause of the mischief, does not advance civilization. Mr. Blackley replies (pages 48, 49): "My scheme only refers to youths of 18, and only limits their bad habits;" and asks, "What harm can it do to a spendthrift to have laid by for him, out of what he would otherwise squander, a secure provision against want in sickness and old age?" My reply is, you cannot limit a boy's bad habits in this way. Until boys are elevated beyond bad habits, the merely stopping a few shillings a-week out of their wages for three years will not alter them. Wages will depend upon supply and demand for labour, and the wages to the labourer will be such a sum as insures to him getting "what he has been in the habit of having;" and any compulsory deduction will be virtually an increase of wages—not, as stated

by Mr. Blackley, for these three years only, but affecting *all wages*, as I think all *employers* of labour will admit. We are told the deduction is only from 18 to 21, before marriage; but it must be remembered that before marriage youths live with their parents, and contribute their proportion to the general funds, and it is not every youth that from 18 to 21 is *regularly* and *fully* employed, or earning sufficient to allow this deduction to be made. But these objections are trivial. If the principle of *self-reliance*, self-dependence, be wrong—or be worth sacrificing, if it be for the good of mankind ultimately; or if you will the sooner render him a thinking, self-helpful, self-respectful member of society, by the State stepping in and compelling him, not voluntarily, but arbitrarily, to save so much per week,—well, the details as put forth are as good as any; but if the principle be suicidal to treat men still, as in the olden time by the clergy, as little children, who must be *made* by the aid of the law to do this or that, the details matter not. I yield to no man in my desire for the elevation of humanity, but have no faith in compulsion of any kind. On the contrary, I think the principle most mischievous, and calculated to foster the very habits we wish to remove. If you can get men to see that it is manly, that it is right, that for their own self-respect they subscribe to this "National Fund," then you have done a noble, truly God-like work; but there is no virtue, no elevation of the individual, no real permanent benefit to any one, deducting by the force of law so much per week from a man's wages by his employer. The Puritans thought they had conquered the licentious habits of the people by their rigid laws against all pleasures, innocent and otherwise; but they had only smothered them, and, as usual, after such artificial repression, at the Restoration they broke out more viciously than before. We never err in copying Nature; she is the only infallible teacher I know of; and I read her teaching, "You must use the faculties you have yourself; if you err or transgress, I shall punish you, until you see the wisdom of doing what is right." Nature is a compulsory provider, but it is a compulsion that *does not act for you*, but *compels you to act for yourself*.

Mr. Blackley (page 8) talks of liberty of the subject as "a rightly exploded hollow myth," and, to prove this, tells us that we are compelled to make our cottages fit for habitation (query, do we?), compelled to disinfect our clothing if we have the small-pox, compelled to have our children vaccinated, &c. I take it, the only need of a government is to protect the life and property of its subjects, until they are advanced enough in wisdom to do without such a costly servant; and we are certainly better without its interference in those

matters that we can arrange for ourselves. I deny the right of any government to deduct so much from my wages, against a possible sickness and the improbability of my living to the age of 70; or, as it is put before us, to protect A, the provident, thrifty Englishman, against B, the improvident, instead of, as now, A being compelled to provide for B, the improvident. But I deny the compulsion under the present system. A, if he likes, may be thriftless, and have to be helped by the thrifty B. And it speaks well for the inherent goodness of humanity that the £7,000,000 or £7,500,000 needed for the relief of paupers is so willingly paid by those who have it; that the independent spirit, the true manly spirit, is so strong, that A bears his own burden, and helps to bear part of the burden of B, rather than be a pauper. I fail to see that the "compulsory idea" will alter the relative position of the two classes: £10 will not pay for sickness from the age of 21, or give 4s. a-week to all after 70. The safety of the plan will really consist in the fact that the sum is levied upon the youth of every class; so that, *as now*, the thrifty will pay their £10 as a kind of tax, but the better class and the provident will be too proud and independent to ask for the 8s. a-week when ill, or the 4s. a-week if they live to 70. There will also be that large number that will die before the age of 70. Is it any more just that they should have had £10 deducted, stopped from their wages, and get nothing in return, than that the householder should be made to contribute his share of the Poor-rate? I fail to see any difference: it is only shifting the burden from the shoulders of the ratepayer to the youth from 18 to 21. As the idea is based on the plea of justness, the money so compulsorily deducted ought to be returned with interest to the relatives of those who die before attaining the age of 70: 4s. a-week *after 70* is not sufficient to keep any one,—how would it keep wife or wife and child? It might diminish the Poor-rates; but it is stated by Mr. Blackley (p. 14) that "*it would make a pauper in sickness or old age impossible to find, even rating for the support of such unnecessary for evermore.*" Mr. Blackley (page 42) tells us "that the Government is to undertake *no money responsibility* whatever in the matter;" yet (page 83) we are informed that "*the very first essential* must be that the investment for which it takes his money should be *absolutely secure*," "*the nation must give a national guarantee.*" Ask any business man if he does not incur a "money responsibility" by becoming security for an individual; if so, the "national guarantee" seems to me to be incurring a very serious monetary responsibility. Mr. Blackley talks of getting 4½ per cent. and no responsibility. Is he aware of the very heavy loss incurred by Government in giving a mere fraction of per-centage to depositors in savings' banks over what money is really

worth? Sir Stafford Northcote arranged for the House of Commons to vote year by year the "loss" incurred by giving to the trustees of savings' banks "3¼ per cent.," that per-centage being more than could be realized by its use. Mr. Gladstone in 1880 asked for annuities to be granted, so that in about 25 years the deficiency, as it stood November 20, 1879, of "£3,565,000" might be got rid of; and he also proposed that the rate of interest be reduced from 3¼ to 3 *per cent.*, that being all we could afford to pay—or, in other words, *all* that could *be made of the money*, by *safe investment;* and every man of business and financier will agree with me that 3 per cent. is the utmost that could be safely reckoned upon,—in fact, it is getting year by year more difficult to get that. It seems to me a very serious responsibility for the nation, this scheme of "national insurance," entitling *every one* who has paid to Government a sum of £10 to receive 8s. per week when ill, and 4s. per week after 70.

By the Poor Law we are taught "that every person has a legal right to have his necessities relieved without regard to his desert." In lieu thereof, we are asked to compel the poor by law to take upon themselves the care of the dark years of life. Is it practicable? What will you do with the few who might refuse to pay? Is it to be a crime, to be punishable with prison? The best preparation for the future, and, in fact, all the contingencies of life, is that which is voluntarily undertaken through a strong sense of duty on the part of the individual. At page 7 we are told that "if every one can make this provision for the future, and will not do so, let him be shown how; if he can, and will not, let him be compelled." The reasoning, if sound, is applicable to all things; every man can be temperate, virtuous, honest, healthy, happy, &c., &c.; therefore, if not, the only inference we can draw is, that he must be compelled to become so. Well, you may try compulsion, and defeat your own end. Persuasion, example, the benefit of the one mode of life over the other, explained from the platform and pulpit, would be in the end the more certain of success, as voluntary action only can be permanent. I believe that every man can pay 20s. in the £, but doubt if you can make him pay it by compulsion. The want of thrift, &c., by the bankrupt class costs us £20,000,000 yearly. "Pauperism is a pigmy to this giant." At page 135 we are told "that the nation provides now for men when they become paupers, whereas it should provide that they should not become destitute at all." But here again the reasoning is scarcely sound, as the reply naturally is that the "nation has no right to interfere, no right to provide *except for paupers*." I deny the right of the State to interfere with my earnings on the assumption that "I am going to be improvident." It has no

more right to do this than to assume that "I am going to be a thief." Compulsion is the old error, the fatal weakness of most reformers; they pull down the better portion to the level of the worse, instead of raising the lower to the level of the higher. The plan should be to get hold of all the improvident, and prove to them the great blessing of an independent, "thrifty," manly life, in comparison with the thriftless life; and show them it can be done by all, because so many of their own class with the same earnings are able to do it. That pauperism is a "national curse" we admit, but ask you to correct it by elevating the people above the temptations of drink and smoke, and the cure would then be effectual. The misery of their present life, they should be plainly told, is of their own creating; teach them how to remedy the same; help them forward by showing them their own strength; begin to teach the working classes, the outcast class, to depend upon their own exertions, their own thrift; treat them as men fit and able to act for themselves; cease to degrade them by doing everything for them, as if they were children that wanted help of others. Once teach them how to walk, they would soon run. The State is regarded too much as a kind of providence to relieve men of the ills they have made for themselves. The mass regard the State too much as a kind of nurse or second parent. We want men taught so as to stand alone, and not to depend on the smiles of the wealthy, the support of the State; but to be endowed with that pluck that is essential for, and will enable mankind to meet, the stern realities of life. Social salvation, the elevation of the people, can only come from the people themselves; not a forced or compulsory thrift, but a self-respect so strong within them, that they will rely upon self-help, and treat with contempt all extraneous aid, and win manfully and earnestly their own advancement by means of co-operative and friendly societies; and the less interference they have from outside the better.

What do the well-to-do classes know about thrift—those people with plenty of money, who have never known the want of money in their lives, yet are so eager to condemn the poor for being improvident? It is very doubtful if they are especially so—that is, in comparison with the middle and higher classes. Take the numbers of each class, and get at the relative proportion of the thriftless in each, and it might be found altogether a fallacy to suppose that the very poor are exceptionally wanting in habits of reasonable thrift. Think of the little they earn, and that when these earnings fail them, or any sudden misfortune or illness befalls them, to what a state of destitution they must be reduced; their poverty is at once apparent, and they are called improvident. But in more respectable circles there are ways

and means of staving off exposure of poverty; bills are run up, loans are negotiated, compositions made; and we under-estimate the large number of the thriftless among the middle and better classes. This we do know, that the fatal habit of spending all we have, and the crime of living beyond one's income, is not confined to the poor alone. We must remember that they have to pick up their living from day to day; life is a hard struggle; yet we find that the deposits in the Post Office Savings' Bank, at the close of the year 1881, were £36,194,495 as compared with £33,744,637 in 1880, exclusive of £738,968 Government stock held by 11,812 persons; showing an increase of £2,449,858, or 7¼ per cent., as against an increase of 5½ per cent. in 1880. On the 31st March, 1882, the amount had risen to £37,219,000.

In 1870 the number of paupers in the United Kingdom was 1,279,000; in 1880, 1,037,000—a decline of 19 per cent. Being asked (November, 1882,) as to the steadily increasing figures of pauperism in the metropolis, Mr. Dodson replied "that the increase in the pauperism of the metropolis during the last few years does not exceed the proportionate increase in the population; on the contrary, it is rather less than might have been expected from the growth of the population. The increase has practically been confined to the last three years; and if the statistics of London pauperism between 1871 and 1882 are examined, it will be found that there has been a very large diminution in the number of paupers. In the year 1871 the number was 153,293, while in 1882 it was 100,323, showing a diminution of 52,970, although the population had increased by upwards of 600,000 persons. This result is the more satisfactory because the reduction has taken place entirely among the out-door paupers. Between 1871 and 1882 there has been an increase of 14,396 in the number of in-door paupers in the metropolis, but the number of out-door paupers has been reduced by no less than 67,366 persons." By the statistics of pauperism furnished by 647 unions in England and Wales, July 1, 1882, it appears that at the date mentioned relief was given to 761,126 paupers, or 2·9 per cent., as against 773,198 on the same date in 1881. The number of adult able-bodied paupers was 92,944, July 1, 1882, against 98,137 in 1881.

If the statistics proved the reverse, there might be some reason for compulsory measures; but as pauperism is steadily decreasing, it does seem to me that we shall the more effectually cure the cancer by adopting the modern system of helping the patient by tonics to cure himself, instead of compelling him to have it cut out, leaving the seeds within him, the present cause of his want of thrift, to grow and grow again. Mr. Blackley's system may prevent legalized

pauperism, but is it the wisest plan for its permanent extinction? You may save the patient from a terrible disease, but, as with bleeding of old, you leave him *weak and helpless for life.* By compulsion you cripple him; the effort should be to make a better use of his limbs—to make a better man of him. Fully aware of his manifold sins and weaknesses, I have a faith in his inherent power to rise if left alone, or helped indirectly, as, out of sympathy, offering him reading-rooms, practical lectures, opening of museums, picture galleries, &c., at all times when he has leisure; attract him onward, develop him naturally, not by *force.* At all times let him feel he is a free agent, with power to do evil or good. Show him the value of being industrious and thrifty, earnest to get on; cheer him onward by letting him see you understand the difficulties of his arduous struggle; but in all be very careful only to do that that will help him to help himself. "Pauper," "beggar," "thief,"—tell him plainly the three terms are *synonymous.* If he tells you his wages do not allow of saving, teach him how to be thrifty by the example of others similarly situated, make him thrifty by showing him the value to himself of thrift. Make him understand that thrift is essential to success, that all might enjoy life more, be better than they are, succeed better in this world than they do; that all must succeed better, once the truth is recognized by them, that no extraneous aid, whether of private help or compulsory providence, can help an individual or a people until they are taught that, for their own self-respect, for their own happiness, to do their duty in this world to their fellow-men and their God, they must be above the mean, abject, poor wretches who are unable to foresee and provide for the time of sickness and old age, and have, therefore, in time of need, to fall back upon State or private charity. There is no hope for mankind until they would rather die than be paupers; their opinion of the dignity of man and their own self-respect so great, that the bread earned by the sweat of another man's brow would choke them in the eating of it.

England has a large number of this self-helpful class; you would stop their increase by *compelling* men to put by so much per week. To earn a penny or save a penny was my delight; but to have been degraded to the compulsion of putting by, or having so much per week of my earnings deducted, I should have felt as an insult, and such action of the State would probably have produced the very opposite effect in my mind; and my impression of Englishmen is that they hate compulsion; and their instinct is right. It is another name for tyranny; and year by year, we seem to be gradually losing all freedom of action gained for us so slowly and with so much difficulty by our forefathers. Nothing is more important for the

national welfare than that the people should clearly understand what statesmen are, and what they are not, able to do. The greatest men that ever lived, or the best form of government conceivable, are unable to confer upon any man the mastery over his passions and the harmonious development of his complex nature. They can only put him under general conditions favourable for his progress. They cannot enlighten his conscience, soothe his grief, or take away his poverty by compulsory providence. If the people are to progress, to be thrifty, it must come from themselves. There is nothing more certain than that those who will not crack the shell will never get the kernel. My friends, let us teach the people how to crack the shell, so that they will do it voluntarily for themselves, as a labour of love, not from fear and by compulsion.

We want men to be taught to observe nature and life, and to utilize and elevate what they see, and not be content with conventionalized, second-hand, and, too often, debased observation—not content with being as they are, but striving for all the progress possible,—by an intelligent, earnest, faithful use of the means within their reach. We want life to be real and earnest, lived with a real vitality—no age content without striking deep the roots for a higher civilization for its successor—the twentieth century continuing the growth and improvement of the nineteenth; but the object, "amelioration of the condition, and elevation of the thoughts and aspirations, of the people;" all earnestly striving to rid us of the sad sight in every street of men, women, and children pale and meagre from want of air and healthy habitations—undeveloped bodies and untrained brains, warped by constant work, and the dread spectre, "poverty," at their elbow, and with no higher object, no other thought in life, but how to exist.

"As the straight arrow has a crooked use, and the curved lute in effect is straight, so by their deeds, and not semblances, let men be estimated." For the proper estimation of thrift and method, remember that "out of mud springs the lotus flower; out of clay come gold and many precious things; out of oysters the pearls; brightest silks to robe fairest forms are spun by a worm; bezoar from the bull, musk from the deer, are produced; from a stick is born flame; from the jungle comes sweetest honey. As from sources of little worth come the precious things of earth, even so is it with hearts that hold their fortune within. They need not lofty birth or noble kin. Their victory is recorded" (*Singhalese Buddhist*).

Be thrifty—

"Not for to hide it in a hedge,
Nor for a train attendant,
But for the glorious privilege
Of being independent." BURNS.

CAPITAL.

"The acquisition of property, the accumulation of capital, is already in the power of the better-paid working class; and legislation has but few further facilities to give, or obstacles to remove. Their savings are now so large that only soberer habits and sounder sense are needed to make them independent capitalists in less than half a lifetime."—W. R. GREG.

THE capital of a country is the accumulated savings of the people —the balance of the produce they have abstained from using; and having lent the same to labour to purchase the necessary materials and necessaries of life whilst employed in the same, the result is represented by its railways, houses, mills, furniture, gold, silver, anything that has cost labour to produce or procure, and debts of foreign nations, as they represent a something that another nation has, but which we have a lien or mortgage upon, and from the wealth we possess, to get at our capital, we must subtract what we owe to foreign nations. It is a singular thing that banks will lend money on Consols, Exchequer Bills, or any Government securities, as they are termed, and not upon railway debentures, not even willingly upon houses; yet here we have a real security, *bonâ fide* capital, real wealth; whereas Consols, or any Government security, are simply *debts;* the money given for the paper that represents the debt has been spent,—there is *no security* except the national honour. The national capital is ascertainable in the same manner as the individual capital, and means the balance to the credit of the nation or the individual, after allowing for the payment of all liabilities. So that Government security, Consols, &c., instead of being a benefit, as part of the national capital, is a millstone round a nation's neck; instead of being an addition to our wealth, is a liability, and must be *subtracted* therefrom, with other liabilities, before we can get at the capital of the country.

It is of great advantage to a country for its people to be able to take their money and deposit it safely, and be paid for its use by others when it cannot be used profitably by oneself. Bankers thus get the power to lend money. And my own experience will be confirmed by others, when I say that any honest, solvent man can borrow of his bankers more willingly, more pleasantly, and at

a lower rate of interest than he can of father, brother, or friend. To manufacturers and commercial men the banker is truly the "friend in need:" if you deserve his confidence, he is ever willing to give it; and he is the very antithesis of Shylock, a veritable Portia in his judgment, taking your word and helping you to an extent that can only be appreciated by those who have tried other sources and found them wanting. The banker is not only useful to the individual—he does good service to the State, by increasing the productive powers of capital; viz., by economizing the capital already in a state of employment; by the system of deposits, he gives employment to capital that would otherwise be, at all events temporarily, non-productive; by the issue of his own notes, he virtually creates capital by the substitution of credit. Banking, therefore, promotes the prosperity of the country, by increasing the amount and efficiency of its capital. In the history of commerce we find no principle more firmly established than this, that as the capital of a country is increased, agriculture, manufactures, commerce, and industry will flourish, and where capital is diminished these will decline. The man who attempts to annihilate any portion of the capital of the country in which he dwells is as forgetful of his own advantage as the miller who should endeavour to dry up the mountain stream which turns the wheels of his machinery, or the farmer who should desire to intercept the sun and the showers which fertilize his fields. So the banker must be held in respect, and have a people's confidence, as it is essential to the prosperity of the nation that the people generally have faith in him, and will hasten to open accounts or deposit their surplus money with him. Individually, they may be of small amount, but, collectively, they make a considerable sum, which the banker employs, must employ, for his own interest, in granting facilities to those who are engaged in trade and commerce. Thus, these little rivulets of capital are united and form a powerful stream, which propels the wheels of manufactures, and sets in motion the machinery of industry.

The distinctive function of the banker, says Ricardo, "begins as soon as he uses the money of *others*;" so long as he uses his own money he is only a capitalist. London is a place where, in all but the rarest times, money can be always obtained upon good security, or upon decent prospects of probable gain. This is an advantage too often overlooked by us, and a knowledge of this power will help every trader. It may be stated that English trade is carried on upon borrowed capital to an extent that few of us have an adequate idea of. This capital is advanced to, and may be obtained by, traders in every district, through bankers "discounting the bills"—an immense advantage to modern

English business—to the "new men" who, by means of this borrowed capital, harass and press upon and undersell the old capitalist, who confines his operations to the extent of his own money. It is surprising the horror some men have of discounting a bill; they will hold the same in their bill-box till it matures; and to get a loan from their bankers upon their leases or other securities they consider is going on the road to ruin. Such men are not equal to the times, do not recognize the fact that money is an economical power, that to get on you must grasp at *all* the help onwards the times you live in admit of. For instance: you have bills in your box; Bank rate is 2, 3, 4 per cent.; you owe money; there are men who will lose their discount, say 7½ per cent. per annum, rather than discount their bills; so they *lose the difference* between what they could borrow money of their bankers at, and what the manufacturer or merchant charges. The "money" gets lent, as the manufacturer is too shrewd a man to keep bills idle in his safe. "Well," you say, "it so happens that I can discount all my accounts, and yet keep all my bills till they mature." If so, it is very fortunate for you; but still money is an economical power to you; you may borrow of the bankers on your bills or securities, and lend the money, do good, and make a profit; but, with your temperament, this you are not likely to do. Then I say, *anticipate payment* of your accounts, "prepay," and make a large profit between what you pay the bankers and get from the manufacturers, besides the indirect gain to your commercial credit. Dismiss the fallacy from your brain, that you can buy or sell much cheaper because you trade with your own capital only. The seller does not care whose capital it is, so long as you keep your engagements, and pay him to the time agreed upon; and if you use your own capital, you expect an interest for it, 5 per cent. at the least. Now I do not think it can be proved that any tradesman in good credit, having customers' bills or good security to offer his bankers, pays, year by year, over 5 per cent. for the money lent; so with a small capital of his own, and doing as much trade as the larger capitalist by the aid of borrowed capital, he can sell as cheaply as the capitalist. In fact, the advantage of our banking system is, that owing to the certainty of obtaining loans on discount of bills, or otherwise, at a moderate rate of interest, there is a steady bounty on trading with borrowed capital, and a constant discouragement to confine yourself solely or mainly to your own capital. The banking system has its defects, but it is a useful medium for getting into trade new men who will be content with low prices; it stops us from being dependent on "merchant princes," and keeps us from going to sleep, as new men are not wealthy, so run greater risk, but are useful in

seizing hold of new advantages, and competing with foreign rivals. The wise tradesman is he who, in conjunction with his own capital, makes a prudent, judicious use of this "economical power," and by its aid takes advantage of every opportunity that offers to extend his business. This is the most legitimate way, and the way in which, as a rule, bankers are applied to; as without this aid, men would be compelled to restrict their operations to the amount of trade justified by their own capital. Many old concerns are unable to meet the keen competition of our times, because the capitalist partners are content with interest for their money, which money is much in excess of the wants of the business; and the working partners suffer, in the diminished returns as well as in payment of this heavy item of "trade expenses." To succeed now, you must employ not only all your own capital, but, as opportunities offer, use as much as your banker will lend you. It is a sign of prejudice, of weakness, to boast that you confine your operations to the use of your own capital. It is by the skilful use of "other people's capital" that some men seem to make such sudden progress, and it is our banking system that keeps in use our capital, and it is by this unconscious organization of the capital of the country that England possesses such an unequalled fund of floating money, which is ready to help any merchant who sees a prospect of a profit. "The Greeks," said M. de Tocqueville, "the Styrians, the Italians, the Dalmatians, and the Sicilians are the people who will use the Suez Canal, if any use it." But, on the contrary, the main use of the Canal has been by the English. None of the nations named by M. de Tocqueville had the capital, or a tithe of it, ready to build the large screw steamers which alone can use the Canal profitably.

The capital of *all* the individuals of a nation has its limits, in the same manner as that of a single individual, and, therefore, depends upon the "economy of the individual;" and the national capital can only increase in the same manner as that of a single individual, by their continually accumulating and adding to it, by a national economy, for the purpose of securing the increased capital necessary to maintain the larger number of labourers year by year. The way to increase this the fastest is to ascertain the best method to employ in the most profitable manner what capital the nation possesses, as the revenue of all the inhabitants of a country must depend upon the annual produce of their capital, skill, and labour; and the capital fund depends upon what is saved yearly out of that produce. The nation progresses in wealth, increases its capital, like the individual—not by what he earns, but by what he saves out of his earnings. Capital should be employed in extracting *all* that is possible to be got from the land, and in the manufacture of cotton, wool, silk, any and all raw materials that can

be bought, made up, and distributed to the people, at a less cost than if bought of another country. The rest of the capital should be employed in making roads, railways, ships, anything that facilitates distribution, as thereby the cost of the article to the consumer is reduced. Another class equally as important—unless there be too many of them, and the smallness of the trade necessitates the getting too large a rate of profit—are the distributing class, generally divided into three classes —wholesale, retail, and the carrying trade.

How often you hear this man condemned for trading beyond his capital, the other's success demurred to because he had abundance of capital—both positions hard to prove, as often a man will fail when his capital is no less in proportion to his trade than it has been at many periods of his career, and yet he has succeeded before, whereas now he has failed. I am strongly of opinion that good management with a little capital is more likely to lead to success than an abundant capital without the good management. Many concerns have too much capital; the proprietors are always grumbling, and tell you they do not get interest for their money. This is because interest is added to the working expenses, for capital that is "unproductive—merely a big balance at the bankers." It is almost incredible the absurd ideas many merchants and manufacturers have as to the necessary capital to carry on a business. It is surprising the little capital needed by skilful financiers—viz., men who understand "money." There is plenty of evidence of men with no capital, or very little, being always punctual in their payments, their word their bond, whilst others with abundance of capital are never to be depended upon. Finance, like Fortune, will not be played with; to succeed with her, you must understand her, must work, must be in earnest. To make capital pay, it must be used. I have no opinion of any tradesman as a "man of business" who has a large balance always lying idle at his banker's. The banker, of course, knows the value of money too well to let it remain idle; so he makes the profit that the customer might have had. A good man of business has his pay days always in view, knows the days that will require all his strength, and carefully lessens the weight all he can beforehand by taking advantage of every opportunity that offers to put part of the burden a little later on, or, if in a position so to do, to prepay and lessen the *extra* strain of any special day. And having this liability ever present in his mind, he never loses the chance of a sale, if there be a profit—if the same will be paid for by or before that date; and so masters the difficulty that to an outsider would seem insurmountable, by knowing exactly what he has to do, and using every available resource to meet it. Such men will sign a cheque, although it exhausts their balance at the bank, seemingly

as unconcerned as if they had thousands lying idle; whilst the other type, to whom finance is a mystery, who dread pay days and view bills with horror, will often lose their discount, damage their credit, for fear, if they pay, some unknown claim may be made, and they not have the wherewith to meet it; or, being always in dread of not meeting their bills, will call and tell you they hope the bill will be met, &c. It is difficult, if you take the two extremes, to know where to draw the line and say, "It was fraudulent of this man to do such a trade with so little capital," as in many cases the man could prove he had done so before; but his judgment has erred at last—he has got his money locked up, or some error of judgment has made his weakness known to others. The real crime is not in the insufficiency of capital, but in a man keeping on and incurring fresh liabilities after his balance-sheet must have shown him the hopelessness of the struggle. The capital, indeed, will depend upon the credit you can get; this will depend upon the man as much or more than upon the money that he has. Briefly, a good manager will buy as well, and get longer time, will sell at as good a profit, and yet get his money in earlier, and will make more of the money, than the bad manager. So, before you can decide what capital is necessary, or if you can lend money, you must know who the man is, and his business capacity.

The same remark applies to nations. Thrifty business people do not lock their money up. And you may judge the character of a country by the amount of its loanable capital, which represents the spare wealth of the people, which is deposited at interest in the banks. In 1840 the amount deposited with the various banks was £100,000,000 sterling; at the present time it is estimated at £600,000,000. There is more money than the banks can use, unless bankers enlarge their range of action, or the public use their money more themselves. There are lots of opportunities where one man could help another by lending him money to take a trade or extend his trade, where a banker dare not; so the money lies idle, and unproductive to the nation. It may be suggested that the present is quite an exceptional time; that we are, and have been, passing through a period of depression that has perplexed the keenest economical inquirer. But if the causes are as suggested by me, there is every reason to fear not only the continuance, but more frequent recurrence, of these long depressions. There have been times in which the crises have been more acute, but never any in which they have been so prolonged as from 1874 to 1882. This cloud will pass away, but if we are wise, some steps will be taken to remove the cause. There must be a cause, and the same should be ascertained and removed. One cause is an ignorance of currency and its laws by the people generally.

"Money," what a simple thing it seems! Yet to whom is explained its nature, its power for good or ill, at any school in this commercial kingdom? Our teachers want to know more of men, more of the real world, less of books. They are not, as a body, rich, and would be able to plead most forcibly as to the value of money; although I doubt if any man can know the real value of money like the tradesman. And yet he is so ignorant of it, that, like the pagan, he worships it as his god, and in his eagerness to clutch it, to meet his own sore needs, while failing to realize all its powers for good in the world, he, alas! forgets its power also for evil, and that it may be a blessing or a curse to its possessor according to what he does with it. The solid progress of wealth in a country can only take place when those of its people who, by frugality, industry, inventions, or skill, have earned, produced, more than they have consumed—"saved money," as we put it—use their judgment wisely in the investment of the capital so acquired. All depositors and investors must recollect that in handing over their capital to an individual, company, or bank, they are trusting their money implicitly to the judgment and integrity of the party they are leaving it with. And although no one values banking more highly than myself, I should like to see the people regard bankers more as the "book-keepers of the nation," and see that, by the general use of banks, exchange to any extent, settlements to any amount, may be effected without the use of coin; regard banks as places where money can be borrowed, or bills be discounted—as places of security in which capital may be lodged till the owners of it have discovered an outlet for its employment, which I maintain should be sought after more by the capitalist and less by the banker than heretofore.

One of the greatest fallacies of the day is to consider it a "loss of capital" if we have to export gold, so as to bring the amount of it below a certain sum in the Bank of England. A bad harvest, an explosion in a mine or colliery, a disastrous fire, a bad system of production or distribution, may cause a "loss of capital;" but to pay for goods by gold instead of by goods, may be a loss of profit, but is not a loss of capital. In the majority of cases, an export of gold may be nothing more than a portion of our capital sent abroad to make new investments, get materials for our manufacturers, or open new fields for our traders. Men confuse "money" with capital. When the Bank rate is high, it is not capital that is diminished, but money. Capital can only be got by labour and thrift; money should be obtainable, under a proper currency system, by any one with the necessary securities to deposit for it. It is always to be had if you have the necessary securities to give in exchange; the price for the

loan of it will depend upon the supply of it at the time in proportion to the demand for it. When the Bank wants gold, it raises its rate; this is to restrain the efflux of gold abroad, and to encourage its influx. Capital and money are not synonymous, as too many suppose; money is simply the means of exchange, given by the capitalist to enable the producers to get the shelter, food, tools, and materials during the process of production. The "stock" of the nation, saved from the produce of past labour, in the shape of buildings, machinery, raw material, food, cattle, seed, &c., is its capital.

Industry is limited by capital; to produce, needs labour, but the labourer must be maintained, or starve; so industry cannot be employed in any particular employment beyond the capital the nation has ready and willing to invest therein. It would seem, therefore, the wiser policy for those who profess to have a regard for the working class, that they should advise rather "over-production" than "under-production;" as, if they "produce," something will be saved by some one; and every addition made to capital is an addition to the wages fund of the country. The value of thrift is apparent, if we consider that all capital, with a trifling exception, was originally the result of saving. Even in the earliest times, people must have practised abstinence, saved from the present as much as was necessary for seed for the future. In every age people must have produced more than they used, or used less than they produced, or must have died of starvation. As nations progressed in civilization, as men began to employ other labour than their own, the necessity for more capital made men still more anxious to save, to add to their capital. In time, man's intelligence told him there were other ways of getting capital than by merely forbearing to consume what little he could produce. "A penny saved is a penny earned" was taken in a wider sense than it was originally intended. It became obvious that by increasing the productive power of labour we created an additional fund to make savings from, and enabled us to enlarge the national capital not only without additional privation, but concurrently with an increase of personal consumption. This is what I wish to impress on all,—a desire to do all they can, and to do that well; not thinking that "whatever is is best," but always anxious and earnest in making the "best of what is;" not content to creep on by hard toil, privation, and miserliness, but seeing in nature's rule evidence that mankind have the capacity to produce, and the power to earn, and pleasure in enjoying the manifold blessings and good things of this world.

WEALTH.

" Wealth in the gross is death, but life diffused ;
As poison heals, in just proportion used :
In heap, like ambergris, a stink it lies,
But, well dispersed, is incense to the skies."

POPE.

MR. R. H. PATTERSON, writing upon the " Eastern Trade and Precious Metals," in the *Contemporary Review* for April, 1879, says : " According to Mr. Jacob's estimate, the entire amount of specie in Europe in 1492 was only £33,000,000 ; and the comparative dearth or scarcity of money is shown by the fact that the precious metals were at that time three times dearer—that is to say, their exchangeable value or purchasing power was three times as great as it had been in the reign of Augustus. But in the course of a century, after the discovery of America (A.D. 1490—1600), the stock of gold and silver existing in Europe (after deducting loss by wear and by export) became quadrupled, and in A.D. 1640 it became nearly sevenfold larger than it was in the days of Columbus. The result was that prices became nearly quadrupled—that is to say, specie or money fell to only about a fourth part of its old value. Produce increasing out of proportion to money, more has to be given in exchange for that money ; the produce *must* be exchanged, money having a fixed legal value put upon it ; goods being in excess, go down in price ; the same amount of money will buy a larger quantity of produce. But the positions being reversed, gold being discovered faster than goods can be manufactured, and the holder of the gold wanting produce and not the gold, they have to part with more of the gold to get a share of the existing produce ; so people get more money in exchange for their goods. But the flood of good and silver causes a demand for goods ; and heavy as was the fall in the value of gold and silver which followed the inundation of the precious metals from America in the sixteenth century and onward, the fall was not proportionate with the multiplication of the stock of these metals in Europe ; prices being quadrupled, while the gold and silver became sevenfold. There is but one possible explanation—money stimulates trade, demand causes supply ; the great expansion of commerce caused the demand or requirement for specie to simultaneously increase since 1492. The miners wanted goods, clothing, &c. ; ships and sailors

were needed to send the goods abroad to them; new branches of commerce sprang up; and the increased import of commodities led to the export of gold and silver. In 1492 the stock of gold existing in Europe, we are told, was only £33,000,000, and the produce of the European mines, then the only source of supply, was under £150,000 a-year. During the first half of the sixteenth century, the Eastern trade was hardly in existence; but by the end of the century, however (in 1600), the export of the precious metals to the East, in connection with the new trade, had amounted (according to Mr. Jacob) in the aggregate to £14,000,000 sterling—a sum which, according to the same authority, was somewhat larger than the aggregate produce of the European mines during the same period (viz., 1492—1600). Thus, at its very outset, the Eastern trade was manifestly dependent upon a new supply of the precious metals, and, but for the conquest of Mexico (1516) and Peru (1520), and the discovery in 1546 of the great silver mountain of Potosi by the Spaniards, which caused a large and permanent supply of specie from the New World, the Eastern trade could not have been prosecuted at all.

"Europe had obtained almost its entire stock of gold and silver from the East. The East was proverbially the prolific seat both of gems and the precious metals. Yet for three centuries or more, ever since civilization began to revive in Europe, there has been a steady flow of the precious metals to the East. In the course of the next century (1601—1700) the aggregate export of the precious metals to the East amounted to £33,000,000—a sum equal to the entire stock of gold and silver in Europe in 1492. The establishment of the Dutch and English East India Companies gave a great impetus to the Eastern trade; and in the following century the export of specie to the East amounted to no less than £352,000,000, or at the rate of £3,500,000 a-year throughout the entire century. The magnitude of this sum will be clearly apprehended when we state that, according to Mr. Jacob, whose authority we accept upon these matters, the total *existing* stock of gold and silver money in Christendom (*i.e.*, after deducting the amount of the precious metals converted into ornaments, or lost, or destroyed by wear) was £380,000,000 in 1810; which, allowing for the £100,000,000 yielded by the mines between 1800 and 1810, shows that the total existing stock at the beginning of the present century must have been considerably less than the amount of gold and silver which had been exported to the East during the preceding century.

"We now come to a critical time in the history of the precious metals, and also not only of the trade with the East, but, as has recently and tardily become recognized, of the monetary and com-

mercial condition of the world at large. In the year 1810, during the occupation of Spain by the armies of Napoleon, the Spanish colonies of South America and Mexico revolted against the rule of the mother country. A long period of revolutionary wars ensued; industry was paralyzed, the whole region relapsed into a state of chaos, and the working of the mines, both in Peru and Mexico, temporarily ceased. The result was that the world's supply of the precious metals was reduced by one-half, falling from £10,000,000 in 1810 to an average of only £5,000,000 during the next twenty years. This disastrous change was strikingly reflected in the export of specie to the East, which, according to Mr. Jacob, declined from £3,500,000, which it had averaged from 1700 down to 1810, to only £2,000,000 a-year from 1810 to 1830.

"For the ensuing period we have no statistics or reliable computation of the export of the precious metals to the East generally. We must, therefore, confine our statement to India, which has always, and especially in recent times, been by far the chief absorbent of gold and silver from the Western world. Between 1834 and 1852 we find, from the statistics furnished by Colonel Hyde, late Master of the Calcutta Mint, that the surplus of the imports of silver over the exports in India amounted to £29,000,000 sterling, which gives an annual average of £1,333,333 6s. 8d. of silver absorbed by India. During that period there appears a new element in the case—namely, the home bills or drafts drawn by our Government upon the Indian Government, representing payments due from the Indian Executive to this country. Doubtless such payments had always been in existence to some extent under the East India Company, although prior to this time we have no official record of them. These home bills during the period in question, 1834-52, averaged £1,750,000 a-year. Accordingly the exports of silver to India, together with these home bills equivalent to specie, averaged during this period £3,500,000 annually—just equal to the average export of specie throughout the hundred and ten years ending 1810. Doubtless there was some export of gold to India during the twenty years ending with 1852, of which we find no official record. But viewing the whole case, it seems evident that, contemporaneously with the falling off in the world's supply of the precious metals, there was a stagnation in the trade with the East, which cannot be carried on without a commensurate supply of specie.

"We now come to the concluding, and by far the most remarkable and important epoch of the trade with the East, during which it has been the most powerful factor in determining the value of the precious metals, and of money generally, in the Western world. Soon after

1852 the memorable expansion of our Indian trade set in. The vast supply of new gold from California and Australia created an abundance of metallic money or international currency; and as gold could largely take the place of silver in the currencies of the Western world, a large quantity of the latter metal became available for carrying on an increase of trade with India and the other silver-using countries of the East. Thus supported, in 1855-6 an immense expenditure of British capital was begun in India for the construction of railways. Mr. R. W. Crawford stated in 1876 that the total expenditure for this purpose amounted to £94,000,000 sterling, of which sum £54,000,000 were expended in India. And just as this expenditure was coming to a close in 1862, the cotton famine commenced, owing to the civil war in the United States, whereby our cotton merchants were compelled to have recourse to India for a supply of the raw material of our great textile industry. Under these combined influences, a vast amount of money was invested in India, which operated like a fertilizing flood, increasing production and exports, and also enabling the population of India to increase their imports and consumption of foreign commodities. And thus the foreign trade of India in merchandise, including both exports and imports, which amounted to £37,000,000 sterling in the official year 1855-6, rose steadily to £95,000,000 in the year 1865-6, nearly trebling during those ten years.

"Such, then, have been the vast and beneficial effects of the trade with the East upon the value of precious metals, and of money generally, throughout the Western world, alike in past centuries, after the discovery of America, and during the still vaster and more remarkable inflood of these precious ores since the discovery of the new American and Australian mines. This Eastern trade has, happily, carried off or found profitable employment for every spare ounce of the £350,000,000 of gold which, since 1848, have been poured into the world from the new mines; entirely preventing the immense fall in the value of money, which, at the instant, appeared so inevitable and appalling. By preventing a fall in the value of money, it has made every ounce of the new gold, and until recently of silver, as highly valuable as in previous times; thus maintaining, at its full value, the labour of the miners, and saving the whole civilized world not merely from a monetary revolution, but from the pure and heavy loss which would have resulted from a diminution in the value of the vast existing stock of gold and silver. Solely and directly in consequence of the trade with the East, as the new gold has flowed into Europe, silver has flowed out; and thus the increased commerce with the East has proved to mankind a double blessing; at once augmenting employment both in the Eastern and Western worlds,

and averting any great change in the value of money. It is a waste-pipe by which nothing is wasted; it is a channel by which we not only get rid of a surplus of the precious metals, but turn them to most profitable account. In so far as the new gold and silver mines shall remain productive, the prosperity of the world depends upon the continuance of this drain of bullion to the East. Without it the new supplies of the precious metals would be robbed of their usefulness, through a great fall in their value. Their beneficial effect would be merely local and evanescent; but with it the whole world will be partakers in its blessings. At present, unfortunately, this conduit or waste-pipe is narrowed by the 'Council Drafts,'—a circumstance natural and proper of itself, but which is highly disadvantageous not only to our Indian Empire, but to the world at large, by producing a fall in the value of silver, which not only lessens the value of the labour of the silver miners, but of the entire amount of the vast stock of silver existing throughout the world—the accumulated result and legacy of many generations of past labour."

The "savings" of the United Kingdom are estimated, at the lowest computation, as above £100,000,000 annually; so that "wealth," its production and distribution, is an important study. Nearly all men are engaged in the creation of wealth. The right way of working for it, the most fitting method of attaining it, must be of value to every one. Practical men have their theories and crotchets; they abound with views founded, as they will tell you, on experience; and when new principles are proposed, none are so quick as practical men to crush you with the better wisdom of custom and prevalent practice. If panics and commercial crises teach us anything, it is that trade and industry periodically go to ruin because of a transient embarrassment, in no way affecting the solvency of British trade, but solely because of a defect in our monetary system, through which the whole commerce of the country is upset, and traders robbed of their wealth, through depression of the markets; and hundreds of firms, as solvent as the Bank of England, are forced into the *Gazette*, because of the inelasticity of our Currency Act, by which the ordinary monetary accommodation is withdrawn from trade at the very time when it is most urgently required. How long is this to last? Until the practical man studies more thoroughly than he has done the science of wealth. It will give to his mind more breadth—will cause him to be more complete in his investigation, in the questioning of facts, and the more careful digestion of the instruction they contain. By no other method can he keep in advance, and be able to shake off many of the complicated, artificial, and cumbrous rules laid down for the attainment of wealth. By science alone can men be made superior to the

old fallacy that the precious metals should be the one supreme object of industrial ambition; that to acquire them, all the resources of the intellect, the capital, the labour of the nation, must be applied; that the export trade must be exalted over the import trade, because it attracts homewards the influx of the wealth-imparting stream of metal;—as if the national prosperity could only be measured by the accumulation of ingots, as if buying were not as important as selling. Once give the subject your thought, you will soon perceive that the power and prosperity of your country, the well-being of its population, and their contentment with the social system that surrounds them, are largely involved in a correct apprehension and a firm application of economic science; as true principles enrich, whilst false principles impoverish, the nation. Free trade or protection, direct or indirect taxation, the laws of limited liability or unlimited liability as applied to partnership, companies, and banks, the currency laws, poor laws, land laws, and the law of bankruptcy, whether framed to relieve or punish the careless or fraudulent debtor, are subjects that every man should have an opinion upon, and get all the light upon that the thoughtful men of these and other times have shed. Such light is now much needed to guide us. It will not do to float along the stream of life at haphazard, and to take no thought for guiding your conduct in attaining wealth, or the object you may be pursuing in life. Life must be "more real, more earnest" than it has been. The errors around us, the evils acquiesced in from carelessness, the good left undone from indifference, are amongst the most fruitful causes of human suffering.

Wealth arises from an increase in the produce of our soil, our stock, and our mines—viz., grain, animals, weaving materials, and fruits—and of coal, iron, and other metals; or from a diminution in the cost of production thereof; or from an increase in the amount of foreign goods which we manufacture and export, or in a diminished cost in the manufacture of them; from the wise investments of our *spare* capital in the construction of railways or other similar enterprises that lessen the cost and facilitate the transport of people and goods; and devoting our brains, labour, and capital to the production of articles that give the best possible value to the consumer, and yield a profit to the producer. It has become imperative that our leaders raise their voice as one man against that mischievous doctrine, that the "wealth of the nation" is the exclusive product of manual labour. This unjust and unfounded assumption must be combated, and the labourer invested only with that consideration which his share entitles him to. Labour must hold its subordinate position; and the capital and skill that search out the best method and direct

their successful application, must hold the high position they are entitled to. If labourers need this enlightenment, the people generally require to be taught how to guard against the insidious doctrine of protection. It is the universal ignorance of communities that enables the selfish few to dare, for the gain of the select few, to propose tariffs, subsidies, bounties, &c., that are all adverse to the interests of the many. They are attempts by traders to eliminate competition from their class, and thus enhance the value of their product; attempts that dare not be persisted in one moment if the people understood economic science. I have no hesitation in denouncing protection as the greatest curse a nation can suffer under, as being asked for by those who trample under foot and ignore the prosperity of the nation. When will men learn that what is "morally wrong" never can be politically or socially right; that a policy that cannot be defended on the ground of principle, can only be excused on the plea of necessity by cowards?

We want to think more of "real wealth" and less of the one kind of wealth, the "precious metals." The love of gold is an indication of low culture. The precious metals flow to countries of low civilization, of great political anxiety, which hoard money and trade for cash; whilst they find small resting-place in lands of high commercial development, where property is safe, and the owners of goods are willing to part with them for cheques and bills, and other processes of deferred payment. An increased quantity of wool, tea, meat, is a national benefit; the larger supply causes a reduction of price, which means that every one can get more wool, tea, meat, than heretofore for the same money. But if the world had enough gold, and the mines kept on increasing the supply beyond the demand, the gold must become cheaper, or the miner cease to mine. But cheap gold is no gain. We do not want two sovereigns to do the work now performed by one. If sovereigns were to be as cheap as shillings, it would be a serious evil; whereas if iron is made cheaper, iron rod castings are so much less, leaving more money to be expended on other things. This is not the case with gold acting as money; cheapening of gold merely means that more gold has to be given than heretofore for an article; a larger quantity of it is quoted to specify the value of all articles. The prices are higher, but the two coins only getting in exchange the same article as one had previously done, no one is really better off; neither the individual nor the nation is richer. To increase our "wealth," we want superior facilities for the greater and more economical production and distribution of all commodities; so that we get more "wealth" in exchange for its symbol—the sovereign —than heretofore. It was the people's ignorance of this truth that

led to the great depression of 1874 to 1879. The inflation of prices in 1869 to 1872 was imagined to be an increase in the *real wealth* of this country. The wealth was the same, but the higher prices caused it to be represented in higher values. Please understand this clearly: your wealth, we will assume, consists of stock value £100, furniture, &c., worth £100; something similar to the "prosperous" times of 1869-1872 takes place, and the stock and furniture you possess at the then quoted prices are represented as worth £400 instead of £200; but the *real wealth*—the stock, furniture, &c.—is just the same, whether quoted at £100, £200, or £400. The mistake was in the people thinking this *real* wealth was doubled, whereas it was only its nominal value, and when exchanged for the £400 it was found the larger sum would only produce, when you wanted to buy, owing to the higher prices of all articles, what the £200 used to do. But, unfortunately, through ignorance of economic science, the people generally began to launch out and indulge in luxuries hitherto abstained from, under the mistaken notion that they were richer than heretofore; rents naturally went up, and once up, it is difficult to get them down, although this must right itself. What I want you to see is, that "doubling the rent of a house" (or anything else), and arguing as people do, that because the "Income and Property Tax returns" are so much higher, therefore the nation is so much more wealthy, is a great fallacy. The nation is only richer by an *increase in the number of houses*, by an increase in the quantity of all articles representing *real wealth*; but it does not become richer because A makes B pay more rent for his house than before; this process only increases the wealth of B at the expense of A. The same rule applies to Consols, stock, and shares; their going up or down is immaterial, viewed as "national wealth" or indebtedness: these remain the same, but by the fluctuations A gets a stock bearing a certain yearly interest from B at a less sum than B paid for it; B loses as much as A gains. The wealth, or debt rather, remains the same, but is bought by, and transferred to, another person, for so much less or so much more money, the price depending upon the market value being up or down at the time of purchase or transfer.

PANICS.

In "Lombard Street" Mr. Walter Bagehot says that "any sudden event which creates a great demand for actual cash may cause, and will tend to cause, a panic in a country where cash is much economized, and where debts payable on demand are large. In such a country an immense credit rests on a small cash reserve, and an unexpected and large discount of that reserve may easily break up and shatter very much, if not the whole, of that credit; hence the frequency of panics." The structure rests upon credit, and the remedy seems so simple; remove the cause that shakes confidence, that undermines this credit. For a people to go on, subject to ruin at any moment from such accidental events as a bad harvest, an apprehension of foreign invasion, the sudden failure of a great firm which everybody trusted, the stoppage of a bank, and other similar events, is simply ridiculous. One thing is certain—one or the other of such events every now and then is sure to happen. Common sense suggests the inquiry, why not prepare for their coming? The reply will be in general, "There must be good and bad times, and our industrial organization is so complicated and so liable to changes, that panics come, they will tell you, by a fixed rule, every ten years or so." I deny that panics must come. It is a similar fallacy to saying that every child must have the measles, or that every one would have the small-pox unless vaccinated. Because A produces in excess of what B wants, or B buys more than he can pay for if the same be not sold, or C, through the laxity of his banker, trades on accommodation bills, or renewal of bills, and when a crisis comes, they fail to get the help hitherto afforded them, and by their failure aggravate the disease, is not sufficient reason to show that the disease ought to have occurred, or that it need be made worse, having occurred. The times are good when there is no idle labour, no capital lying dormant, life everywhere, no sluggishness; and as A being occupied, gets for his labour or skill money, and with that money buys of B, and so on, you will at once perceive how it is that if A's employer fails, A not getting the money, cannot buy of B, and B cannot buy of C, and so the wheels of distribution are stopped. The transition to the good or the bad times is sudden and complete in a complex society like

ours, in which every one is dependent on the labour of every one else; and so the loss by one spreads and multiplies, and affects all. This is also noticeable when food is dear, as the amount of absolute necessaries which a people consumes cannot be much diminished. The additional amount which has to be spent on them is so much subtracted from what used to be spent on other things. After two or three bad harvests, if corn be dear, every industry is impoverished, and almost every one, by becoming poorer, makes every one else poorer also. All trades are slack from diminished custom, and the consequence is—capital unemployed, much idle labour, and less production.

Monetary writers assume that the delusive doctrine that "gold is wealth," that "wealth consists solely of money," was dispelled by Adam Smith; and Mr. Mill points out the idea as an absurdity so palpable that the present age regards it as incredible, as a crude fancy of childhood; yet I heartily endorse Mr. Bonamy Price's opinion, that this doctrine, that gold is wealth, breathes in every line of the City articles of all our daily newspapers; nay, further, if you were to ask 1,000 men their opinion, 995, if not the 1,000, would say the same. The intelligence of the present age is a great fallacy. I am willing to admit there are giants in our midst, whose power of thought is akin to the marvellous, whose breadth of vision seems without limit—men worthy of the greatest homage from their fellow-men; but the general knowledge is of a specious character, all surface,—there is no depth in it. Men do not think out the problem of life, are not earnest in understanding themselves, or what causes the miseries that "flesh is heir to." Spite of all that has been done by theologians and moralists, men's daily lives prove that they do not believe that the greatest blessing is to possess that guardian angel, "an active conscience," that divine monitor within us that tells us unmistakably how wise those are "who do to others as they would be done by." This, in conjunction with the enlightened intelligence that has grasped the fact of God's government of the world by fixed laws, is what we need to banish the childish idea we hear so often that disease, depression of trade, commercial crises, bank failures, and all the misery in their train, occur because "Providence has for some good reason thought fit to punish us" for our manifold sins and wickedness; instead of seeing that all these depressions and misery arise from the ceaseless action of selfishness in the never-dying force of class and personal interests, in the steady and constant efforts to promote private gains at the cost of the whole community; that men suffer because, with an immediate gain before them, a something they can see and handle, they are not equal to the sacrifice necessary to

insure the larger and more prolific result. Their decisions are based upon the narrow vision of personal advantage; they have not brains enough to grasp the higher truth, that the welfare of each is most effectively achieved by securing the welfare of all. Hence the retribution is fearful; industry languishes; whole trades are swept away; ruin periodically overwhelms once noble industries; and immense manufacturing and distributive establishments are crushed and submerged in the general ruin.

I may not be able to prove it, but have no hesitation in asserting that panics, crises, bankruptcy, the extent of which makes one shudder, are caused by a superstitious adherence to old customs, by fallacious theories in the minds of mercantile men that regulate their conduct, and are held as the secret by which men can get rich—one of which is, that trade is to be regulated by the amount of gold coming into the country, and orders are to be given boldly because the rate of discount is low, or that a panic is at hand, a crisis imminent, because we have to pay in gold for corn or raw material from abroad. People will not, cannot see that the function of money is to buy with —that, in fact, we get the "raw material" with it, exchanging the symbol of wealth for its reality. Such an error of judgment, fraught with such terrible consequences as a "panic," would not be possible if people were taught Currency at school instead of Greek and Latin, if common sense, instead of prejudice, guided us; so that the study of an article of the most universal use in daily life was explained in plain and intelligible language. Bank notes and sovereigns are capable of clear and simple exposition, and are understandable by the ordinary human intellect. But we must be guided by thinkers —men like Smith, Mill, Price—before we can rescue money from the position we find it in. Authority contradicts authority—the Bank Act to one set meaning ruin, to another salvation—because the world has chosen to defer to great merchants and bankers, who are called in and consulted when the patient is unwell, instead of those who have analyzed the facts, and explained their meaning, and who have given us a basis from which reasoning may take its origin and first principles be obtained. There is only one road to true science, only one foundation on which it can rest—a thorough analysis of the facts, and a firm determination to accept what they teach and nothing else. Begin with currency from the beginning; observe accurately, observe fully; acquire your first truths with a sound intellectual conscience, and judge every subsequent problem fearlessly. Metallic currency, or coin, furnishes the fundamental laws of all currency. Coin is a simple matter. It is the "paper" substitution for metal that causes the confusion, the complications, the dogmatic

assertion as to the instruments of exchange. By thoroughly understanding the operation of coin you well get at the principles of currency. Do not be misled by the magnitude and complications of modern trade. The idea that they involve some mysterious and indescribable influence is a pure illusion; dissect the vastest operation, and it resolves itself into A selling to B an article because he wants money to buy something of C, and B buying of A because he wants what A has to sell more than the money he gives in exchange. Therefore, you must first produce and exchange what you have produced for money, which enables you to buy. The foreign trade, with its ships on every sea, is precisely the same—A seeking to exchange with B, and exchanging his produce for coin, or for bills of exchange, which are simply deferred payment; the sale is for "money," but the seller has accepted a promise to be paid the money some three, four, or six months hence instead of now, and A wanting the money, and not being able to wait till B redeems his promise, transfers his rights thereto to a banker, who lends him the money upon the security of the bill, less so much interest. This description contains the essential elements of all trade, and you will perceive that "money" is not sought by any one for its own sake. It is a means to an end, but not the end itself. It is a tool, procured solely for the sake of the work it performs, and not because it possesses qualities that make it good and desirable to have it for its own sake. The wish to have it makes people think the getting of it is a complete thing in itself. They forget that it is obtained to be got rid of, that it is worthless unless it is used, and it is not used till it is parted with. Money is nothing but an interspersed commodity —a power of purchase—the very end of whose existence is, to be got rid of with all practicable speed. When, therefore, bankers tell the world that it is of the utmost importance to trade to keep gigantic treasures of money in a cellar, they impose upon themselves the burden of proving that they know what money is, that they understand its object and function, and that large masses of money which are never touched, and which, in all human probability, never will be touched, are not a practical and scientific absurdity. Every sale for money is only half a transaction; the transaction is not completed until the money has bought other articles. Money is, or should be, always seeking to buy; money hoarded or not used is for the time annihilated as money; it is like a field left uncultivated. Another mercantile superstition is that you cannot have too much money; that as with money you can buy anything, money is true riches, and the more gold a nation can get the better. True to a certain point, gold and silver being wealth; but those who speak so strongly in

favour of individuals and nations increasing their wealth in the form of the "precious metals," overlook the fact that gold has to be paid for like every other commodity. It is a very expensive affair to obtain gold out of a mine; a great deal of timber, and tools, and gunpowder, and wages is consumed in the business, and the country which gets the gold has to pay for all these things. Gold being wealth, a nation is richer if it gets it for nothing; but the real question is, the wisdom of buying it and paying for it with other commodities to hoard in banks to meet the supposed wants of our law of currency. Having mastered the scientific side of the subject, practical men would at once try to alter this law so as to need as little as possible of so expensive a medium of exchange as "gold." Under "Banking" I have pointed out how little gold is really needed in a country like ours; full of shops, closely packed together, in which the movement of trade is rapid, credit is largely given, and banks exist in great numbers. Every effort should be directed to settle transactions by cheques, so that "book-keeping" would be substituted for "sovereigns," and year by year less gold would be wanted in proportion to the sales effected; the quantity needed should only be sufficient to use as small change, of which each individual should carry the minimum quantity about with him, or keep for change in his till. "Keep this truth in your mind, that a nation is not the poorer for possessing little gold, nor the richer for having much. There is 'enough' gold when every man who wants change can get it, when there is enough gold to supply what is needed for those transactions where it is necessary for coin to pass from one man's hand to another; any surplus must lie idle, and can be redeemed from being a waste only by being exported abroad, or by diminishing in value. The vast treasures buried in the vaults of the great Banks of England and France are a most gigantic waste, caused by an erroneous conception of currency" ("The Principles of Currency," by Bonamy Price).

The magnitude of our commerce, and the number and magnitude of the banks which depend on the Bank of England, are undeniable. In 1857 the loans on "private securities" by the Bank of England increased from £20,404,000 to £31,350,000, and in 1866 from £18,507,000 to £33,447,000, because of the larger number of people under great liabilities here. So, when prosperity seems at its height, by our present system of banking, directly the slightest breath of adversity is apparent, the whole commercial and monetary structure is ripe for a panic. And for this reason: there has been a great expansion of all the industries, upon the system of credit,—credit, that symbol of man's faith in man; but all at once, when the ship is at full sail,

and every shred of canvas is in use, every timber strained to the utmost tension, there comes a whisper of danger; there has been found a leakage. Man's trust in his fellow-men is weakened by some rumour or stoppage; a revolution takes place; all are eager to fly from the wreck, to save themselves from ruin; and in their mad eagerness, they damage our commercial system, and one day will destroy it, unless steps be taken to avert these terrible catastrophes, these social shipwrecks. They must inevitably occur again, if we persist in the "finality" doctrine, and refuse to remember that, since 1844, thirty-six years have passed—a period remarkable for its material progress and banking development. Our people do not hoard their money; they are bolder with it than any other people. If they do not lend it personally, they deposit it with bankers, and borrowers go to them for it. The same sum scattered in tens and fifties through a whole nation is no power at all. No one knows where to find or whom to ask for it. It is the concentration of money in banks that has made all people in want of money come to us for it; and the country of banks by this means aids in the carrying out vast works which, but for that aid, would never have been planned. It is our "banking system," the faith of our people in "depositing" their money in the banks, that has made our money market so exceedingly rich, so much beyond that of other countries. With such a responsibility hanging over us, the "masterly inactivity" doctrine is only excusable because of the people's utter ignorance of the subject.

A panic is spread as follows: The bank reserve is getting low; trade in England is carried on with borrowed money; a panic takes place; credit is shaken; people are not content with the "promise to pay," they want to be paid. The banks, to protect themselves, and each fearing a run, refuse to discount, except to their own customers, and are less willing to do this than heretofore. The manufacturers and merchants are under serious liabilities, and even if their books show 40s. in the £, must stop payment, unless the banks will help them. They cannot by our present system; so houses that are considered good fail; the panic spreads, and carries in its train misery and ruin, until matters get so serious that the Act is suspended, and the Bank of England does at last what should be done at first—*lend freely* to *all* able to deposit with it security for the same. But what a satire upon us as a "practical people"! To satisfy the crotchets of certain monetary doctors, every eight or ten years we permit this modern plague to visit us, and instead of adopting the modern view, of strengthening the patient at the first symptoms, thus checking the disease, we allow it to weaken, kill a lot of patients, and spread into healthy districts, instead of stamping it out at the first sign, or,

better still, having such a system in operation that the disease will have no chance of a victim. What is the disease? A ravenous monster that will only be satisfied with "money." Why such an insane desire for it? Because of limiting your money to some fixed sum—one of the most foolish things ever done by a wise man. Let the principle upon which the same "limited" sum is based be extended to meet the wants of 1883, and not restrict us, as if our operations were to be confined to the ideas of 1844. Let the Act be altered, and let the people know that money—or what they will take as willingly as money, Bank of England notes—can be had *ad libitum*. But how is this to be done? By the Government alone having the power to issue notes; by letting every bank, or any one, have these "notes" by depositing the requisite security for the same; placing all banks upon an equality, each keeping its own reserve, as if its life and credit depended on itself; Government not restricted to one bank, but having the choice of banks. At present the Chancellor of the Exchequer, when borrowing on deficiency bills, is confined to a single bank, which can fix its own charge; whereas he should be able to borrow of the cheapest out of many competing banks. The nation would be helped by a diffused system—"national notes," freely issued by banks all over the kingdom; and in this simple manner we should get a large revenue by charging stamp duty for every note, and also prevent panics, by giving our system what it needs—confidence in the mind of every banker that he can obtain "money" to any extent to supply the needs of all who may apply for it, if he has the requisite security to justify his having the same. The more you study the subject, the more you know about "money" and "panics," the more you will become convinced that it is not real scarcity of money, but a general dread, an universal mistrust, an apprehension more or less strong, in the mind of every banker, manufacturer, merchant, and trader, that makes all anxious to secure all the money they can, and to keep it for fear of not being able to get it in case of need. If this be so, by removing the dread, we get rid of the cause, and the disease will die a natural death.

Do not misunderstand me; no advances need be made upon which there is any risk. To refuse bad bills or bad securities never created a panic, or made one worse; the "unsound" people, the amount of bad business, being but a small portion. To prevent or check a panic, it is only needful that the great majority, the "sound" people, are protected from anxiety, loss, or ruin by a system that will give "money" to all such people as have good security to offer for it. Even under the present system, in these circumstances, the wiser policy is for the banks to be "more liberal" than usual, instead of

the reverse; as when it is rumoured about that the Bank of England, or other banks, are refusing good and usually convertible securities, the panic must become worse and worse, as no one feels secure. What is wanted, and what is necessary to stop a panic, is to diffuse the impression that though money may be dear, still money is to be had. If people were convinced that they could have money if they waited till they wanted it in the ordinary way of their business, and that ruin is not coming, they would cease to run in such a mad way for it.

You may lend a great deal, yet not give the necessary confidence. Bankers should see how essential this is for their own security; the bold policy is the only safe one. Lend as if you have an illimitable stock of money. In "Lombard Street," Mr. Bagehot says: "Lending freely is the best method to check the demand. The brave policy, lending on every kind of current security, even on securities upon which money is not ordinarily lent, is more likely to get the banker higher praise than being timid, exhibiting a nervous caution, *refusing to lend on this or that*, that hitherto has been taken without demur. Take the panic of 1825. The Bank of England tried every means to restrict its advances; the reserve being very small, it endeavoured to protect that reserve by lending as little as possible. The result was a period of frantic and almost inconceivable violence; scarcely any one knew whom to trust; credit was almost suspended; 'the country was,' as Mr. Huskisson expressed it, 'within twenty-four hours of a state of barter.' The Government were pressed to issue Exchequer Bills, but Sir Robert Peel refused, and the Bank was ordered to issue their notes on the security of goods, instead of issuing them on Exchequer Bills, such bills being themselves issued on that security. They reluctantly consented, and the principle of such action being sound, the success was complete. As they lent money by every possible means, and upon every kind of security, matters settled down, and there was no real panic in the money market till 1847. In 1847, 1857, 1866, the Bank made very large advances, and more readily than it did in 1825. But there is still no certainty as to what the Bank of England considers 'good securities.'" Mr. Bagehot doubts if the Bank of England in a panic would advance on railway debenture stock, and many other such securities. It should be clearly understood that money is to be had upon all genuine securities. The amount of *the advance*, of course, must be left to the discretion of the banker. But the principle of lending should be clearly defined, for all banks to lend on *every kind of security, irrespective of its nature, always assuming the security to be good, and more freely, if any difference, during a panic.* The certainty of getting money would be a great

relief to the minds of manufacturers and merchants, as industrial operations would not be checked suddenly, and goods sold for what they will fetch, as now; for the experience of the past justifies us in assuming that the "extra" demand for money would occur less frequently, and certainly with less persistency, than heretofore. The best palliative to a panic is confidence that the money is to be had if wanted; and, to insure "liberal" action, we want the power to lend to be given to every banker; whereas, in reality, practically the Bank of England, during a panic, is the sole lender. Therefore, until the Act of 1844 is altered, we must be liable to crises; and such crises will be a terror to us all, and national bankruptcy only averted, as heretofore, by the Government at the last moment suspending the operations of the Currency Act, which, instead of preventing, as it easily might, money panics—viz., the fear of not being able to get money—increases the mischief, from its policy of limitation.

In the Appendix to "Lombard Street," Mr. Alderman Salomons, in his reply to the Chairman of the House of Commons' Select Committee, in 1858, confirms this view, although he made the statement to prove the contrary: 1146.—The Chairman: "The effect upon the London and Westminster Bank of the pressure in November, 1857, was, I presume, to induce you to increase your reserve in your own hands, and also to increase your deposits with the Bank of England?" "Yes, that was so; but I wish to tell the Committee that that was done almost entirely by allowing the bills of exchange which we held to mature, and not by raising any money or curtailing our accommodation to our customers." Yet Alderman Salomons admits that between the 11th of November and the 31st of December, 1857, the bank strengthened itself by allowing bills to the value of £5,000,000 to mature; that is to say, they added to their own reserve by "not discounting for bill-brokers, as heretofore, to the extent of 5,000,000 of money in seven weeks,"—a most serious withdrawal of accommodation from the commercial world by one bank. Mr. Salomons fails to see, by allowing bills to mature—remaining quiescent, as he puts it—to enable the bank to meet any demand that might be made on it, that virtually, by this action, instead of helping the commercial world, this bank withdrew from commerce its usual support to the extent of 5,000,000 of money. Mr. Salomons in his evidence admitted that the opinion was "thoroughly engraved in the minds of the commercial world, that whenever you have good security it ought to be convertible at the Bank of England in some shape or way; and he said he had great doubt indeed whether the Bank can ever take a position to refuse to assist persons who

have good commercial securities to offer." There cannot be two opinions upon this subject. To save individuals from ruin, to save the nation from suffering, to protect the capital of the kingdom from unnecessary loss, a change of owners, manufacturers and tradesmen having good bills to offer for discount, or good security to borrow upon temporarily, ought to be free from any apprehension, free from any doubt, that at their own bankers, or at the Bank of England, or in some way, there are facilities and means for discounting the bills, or getting the "money" needed to carry on the commerce of the country.

The limitation of the Bank Act must be removed. There is no reason why the limit should be £15,000,000; whilst there is every reason why the Act should be altered and the sum enlarged. There is no necessity for a fixed sum. All we want is *security* for the notes issued—the same as now enforced by the Act, and similar to the prudent action of the Metropolitan Board of Works, which, collecting a great revenue in London, has an account at the London and Westminster Bank, for which that bank makes a deposit of Consols as a security. It is a great error of judgment to rely upon suspension of the Act to save us; such actions damage the national credit. Besides, why should we repeat the risks of the past? Mr. Pitt, in 1797, feared that he might not be able to obtain sufficient specie for foreign payments, in consequence of the low state of the Bank reserve, and he therefore *required* the Bank not to pay in cash—said they must not; and from 1797 to 1819, the period of the Bank restriction, as it is called, the Bank did not pay its notes in gold—in reality, a suspension of payment; which was nearly repeated in 1825, when *only coin* was a legal tender, and the Bank had reduced its reserve to £1,027,000. Except for the "letter of licence" by the Government in 1847, 1857, 1866, it is doubtful if they could have kept on; although no one doubted ultimately that the Bank of England would always pay 20s. in the £ to every creditor and shareholder; but the law is, *that it pay its notes in gold on demand.* On November 13, 1857, however, the banking reserve was reduced to £957,000, and the Bank only kept open through the suspension of the Act, and the "letters of licence" from the Government enabling them to borrow from the currency reserve, which was full, in aid of the banking reserve, which was nearly empty. This crisis taught the directors a lesson, and they have since taken the proper steps to avert such a catastrophe—viz., raising the Bank rate in good time, and adopting Mr. Göschen's recommendation to raise the rate by steps of 1 per cent. at a time when the object of the rise was to affect the foreign exchanges. The elevation of the rate of interest is the Bank's safety-valve. It has a

double action; it lessens the demand for, and increases the supply of, money; and experience has proved that loanable capital, like every other commodity, comes where there is most need of it, where it will be best paid for. When the Bank raises its rate, or as soon as the rate of interest shows that it can be done profitably, continental bankers and others instantly send large sums here.

I quite agree with Mr. Bagehot that what we want is the "national" system—Government to be the "issue department," and to leave bankers alone; so that instead of, as now, relying on one bank, there would be many banks of equal or not altogether unequal size. In all other trades competition brings the traders to a rough approximate equality. Banking should be free—a republic with many competitors of a size or sizes suitable to the business. At present we have a constitutional monarchy, one it would be unwise to overthrow; as the credit of the Bank of England has grown with its growth, and could not be reconstructed. But it would be wise of us to gradually prepare a system, so that the banks would keep their own reserves, and rely upon themselves, instead of leaning on the Bank of England, which in its turn depends on the aid of the Government for help in a crisis.

Gold must be the basis of our money, but it is unneeded in our monetary transactions with one another. And it is an insult to our common sense, as practical people, to get in such a state of alarm at every diminution of our stock of gold, because the Bank of France, or any other foreign bank, buys up bills of exchange upon London, and sends them here to be cashed, in order to supply itself with gold from the stock kept in hand by the Bank of England; or it may be our own Government, which, by making loans to a foreign state, necessitates a corresponding export of the precious metal, or which, in times of war, has to export specie to provide supplies for its army abroad. It may be our corn merchants importing grain to make up for a deficient harvest here; or our manufacturers who purchase the raw materials of their industry; or, finally, it may be great capitalists, great money dealers, who convert their money into gold or silver, as best suits their purpose for the time, and who transfer it from one country to another, wheresoever they can make the largest profits upon it. It is these agencies, and not any mistrust of the notes, which produce the occasional heavy demands for gold upon the Bank of England. These causes will always be in operation; we are aware of them, yet take no steps to prevent their operation every ten years or so; causing a convulsion which spreads terror throughout the city and all commercial circles, paralyzing the whole country as if an earth-

quake had strewed with ruins the great seats of our national industry. Trade is stopped, gains ruthlessly swept away, suffering and want exist nearly all over the country, as if there were a great famine; and, as a rule, this occurs just after or when the country is fully occupied and prosperous; and the only reason is, we stupidly restrict or totally suspend the usual credit system by which the trade of the country is carried on, because the supply of gold in the vaults of the Bank of England is temporarily diminished. We forget at once what credit and paper money were invented for—viz., to take the place of payments in coin—and have not wisdom enough to be equal to the occasion, and make use of our credit system as a means of compensating for the temporary absence of gold. Instead of doing so, to tide over the difficulty—instead of having a system that gives greater expansion in the time of need,—ours restricts its general operation, and makes every one doubt being able to get the money they may require, and so we aggravate the difficulty we are in; and so long as we persist in this course, so long must the nation be subject to these periodical visits of commercial distrust, and be punished by suffering that must inevitably occur, unless more elasticity is given to the present system of monetary legislation.

Do not imagine I am any speculative theorist; no one is more utterly averse to the many remedies that have been suggested to save thousands from ruin—suffering—starvation. I am no advocate of Gray's, Harvey's, or any other remedy, with their consol notes, labour notes, land notes, inconvertible notes; but thoroughly believe in the principles of the Bank Charter Act, and maintain that a metallic currency is the only safe and reliable one — that it must be distinctly the basis of all notes, bills of exchange, cheques; that the same are convertible into gold, and that the sums they represent are payable in gold currency. But the fact stares us in the face that these panics do not arise from the want of gold, but a limitation and restriction of the *ordinary accepted currency* of the kingdom, just at certain junctures when the nation requires more, instead of less, of the circulating medium; and it can be proved that a larger issue of bank notes at these periods stops the distrust, the blind fear that creates panics. Therefore, why not remove the cause by not limiting the issue of notes to the stock of gold, and a certain sum not exceeding £15,000,000, upon securities; and, as they cannot be increased upon the stock of bullion, alter the Act to any sum the nation needs, if Govern-

ment security to the value thereof be deposited? To those who will reply, This would destroy the "convertibility" idea, I answer, it is only *extending* the present latitude, and deny that there is any danger in the suggested alteration, as it is extremely rare that the drain upon the Bank gold ever becomes so great as to be a *real and unavoidable* embarrassment to the Bank. The export of £3,000,000 or £4,000,000 of specie generally produces such an effect upon the rate of exchange as of itself to render any further exports of the kind unprofitable; hence the drain ceases; and, except during a long and gigantic contest, such as we had with France under the First Napoleon—an extremely exceptional circumstance—the drain of gold for export has never assumed a magnitude such as really to imperil the position of the Bank. The artificial restriction of the Bank Act simply wants removing, or rather, its power of issue enlarged, so that the people will not be under the fear of a scarcity of the medium of exchange in circulation. We want an Act that will give confidence, remove the senseless fears of timid, thoughtless people, and thus prevent panics, and the ruinous depression of industry. "Three times 'Peel's Act' has been suspended because the banking department was empty. Before the Act was broken—

In 1847, the banking department was reduced	to	..	..	£1,994,000
In 1857,	,,	,,	,,	1,462,000
In 1866,	,,	,,	,,	3,000,000

In fact, in none of these years could the banking department of the Bank of England have survived if the law had not been broken. Nor must it be fancied that this danger is unusual, artificial, and created by law. There is a risk of our thinking so, because we hear that the danger can be cured by breaking an Act; but substantially the same dangers existed before the Act. In 1825, when only coin was a legal tender, and when there was only one department in the Bank, the Bank had reduced its reserve to £1,027,000, and was within an ace of stopping payment. In 1844, the liabilities of the four great London Joint-stock banks were £10,637,000; they now are more than £60,000,000. The private deposits of the Bank of England then were £9,000,000; they are now £18,000,000. There was in 1844, throughout the country, but a fraction of the vast deposit business which now exists. We cannot appeal, therefore, to experience to prove the safety of our system as it now is, for the present magnitude of that system is entirely new. Obviously, a system may be fit to regulate a few millions, and yet quite inadequate when it is set to cope with many millions" ("Lombard Street").

ECONOMY.

"When beginning the loaf is the time for saving."

"Being economical, I can therefore be liberal."

"Do thou good in the same manner that God hath done good unto thee."

"There is no virtue in the world greater than that of doing good to others."

THE word "economy" is from the Greek *oeconómia*, "house-management" or "household management," the notion of which is generally understood. It does not signify in the original language merely "saving" or "thrift," but the judicious and profitable management of a man's property, the careful husbanding of the resources of the nation and the individual, so as to produce and distribute the necessaries of life, all articles in fact, cheaper and cheaper to the individual. Economy means frugality in general, from the government of the universe to the management of the kitchen. Popularly, it is considered, in relation to the household, domestic. But it has reference to everything where thrift can be exercised. We can be economical or the reverse in the management of household or pecuniary affairs, private or public—we are thrifty or prodigal in our household or national system—as we do or do not thoughtfully adapt our means to the end we have in view. Economy means the saving of waste and avoiding unnecessary expense in the management of the nation, the warehouse, or the home. "Economy" has a horror of the credit system, and its twin brother, debt—that curse of the middle and upper classes of society. I would have put prominently in every house, "Owe no man anything." That nation must be wealthy whose people have the moral courage to say, "I can't afford it; I *will* live within my means; I will be independent." Do not teach "economy" as if it meant the mere saving of money, but as the science that inculcates the necessity and wisdom of making the best possible administration of our time, talents, labour, and money combined. The present system of show, with its inevitable accompaniment, sham, and getting money by any means to support it, is degrading to humanity. We want in its place a system that will teach "integrity" as a necessity, punctuality and method as a rule, forethought and thrift as a habit. "The principal thing in matters

of economy is to cut off all superfluous expenses; but true husbandry doth lie in expending the same money to more advantage than another, and, as the vulgar say, 'to have four pennies for your groat'" (GUICCIARDINI). Too many think that the principal happiness in this world is to "spend money." To check this, in training the young, habits of thrift should be inculcated; every boy and girl should be taught to manage with frugality, cautioned against the dangerous habit of loss by waste; to be prudent in expenditure, beginning with their few pence; taught to save a *little* always, so that it gets into their nature, and it becomes part of their character, a settled habit,

> "With *economic* care,
> To save a pittance."
>
> HARTE.

"Economy" should be studied by those parents who foolishly send their sons to expensive schools where they are made gentlemen of instead of scholars, and form habits from the class they associate with which unfit them for the vocation they will have to follow. By "gentlemen" I mean the class of idle do-nothings—the drones who live fast and spend recklessly—the idle, spendthrift class, that wise parents should keep their children from; as extravagant habits once formed and fostered, are very difficult to give up. Before sending your children to college, impress upon them, as a sacred duty, "never to get into debt"—that "no man is free who is in debt"—that running up bills is to sacrifice their independence and self-respect, not only wounding one's personal feelings, but certain in the end to inflict moral degradation; as no *honourable man* will wear other people's clothes, jewellery, &c., drink other people's wines, or keep up a false appearance with other people's money. Wise men will not deceive their wives as to their position, but explain to them the necessity for economy. Were this the rule, we should have fewer struggling after the notice or homage of society; to obtain which, men must be really rich; seeming so will not last long in the struggle after style, the effort made to put on the appearance of wealth by copying the glitter of upper life and habits—the life of folly, frivolity, madness. "Economy" may be despised, but is amply revenged, if we think of the cost of a large party, the result, to cram one's house with a lot of people, people you do not care one straw for; yet it is the road to ruin with many—observance of a silly custom, to comply with which, people cease to be honest, rather than yield the mock applause and hollow respect of the world. Peace, truth, virtue, have to be put aside, and sham, deception, meanness, take their place in the effort to keep up "appearances;" a life of unrest and torment is incurred for

the sake of the world's good opinion, to obtain which, the world little knows how many even of its highest members resort to that fertile cause of dishonesty—"getting" into, and keeping involved irrevocably in, debt. It is strange how men can walk in bondage! Why? Because of the fatal principle of our Bankruptcy Laws, that teaches the "getting into debt" by legally absolving men therefrom. The laws may be right to protect a man in difficulties from being oppressed, but I deny their right to, or the wisdom of compelling A to accept a composition of 5s. in the £ from B. All debts should by the law be held sacred, and recoverable so long as a man lives. We have suffered long enough from the dishonourable system of bankruptcy and compositions; we want to be free also from the tax we have to pay for those tradesmen who "always pay too late." Your "irregular payer" gives anxiety to, often ruins, and at the least destroys the happiness of, thousands.

Economy, in its highest phase, means that system of rules and regulations which we call good management; an orderly, methodical arrangement, by which all the parts are adapted to secure the maximum of good result by the minimum of outlay; the wise and economical adaptation by the author, whether human or divine; as the animal or vegetable *economy*, the *economy* of a nation, as the Jewish *economy*. "The Jews already had a Sabbath, which, as citizens, and subjects of that *economy*, they were obliged to keep, and did keep" (Paley). Economy relates to the means of living, or the resources and wealth of a country. "There was no *economical* distress in England to prompt the enterprises of colonization" (Palfrey). Political economy means the internal, and more especially the pecuniary, management of any undertaking, corporation, or state; it is the science that teaches us how best to develop the resources of the nation—the science of how to develop, with the most beneficial result, the resources of the country; how to use the wealth or capital of the country in the way best calculated to cause its increase; how to cause all articles of consumption to be distributed from producers to consumers in the most economical manner; how to collect the revenue that is essential to carry on the government of the nation the most judiciously; to cause, briefly, in all things throughout the country the judicious expenditure of money, time, labour, with the least possible waste, by the nation or the individual. Economy is the "art of using" what we have mentally, physically, monetarily, to secure the best possible result, calculating how to economize time, to use what we have with prudence, to expend with frugality—the great secret of success, the essential condition for an honest, a happy life, knowing how to "economize our income." Who teaches the people the art of

Economy? In what school or home are the young trained to be economical? Why is it that this science of sciences is neglected? Why is it that we act as if this difficult task of managing our pecuniary concerns with a wise frugality—making a prudent and judicious use of our money—the habits of thrift necessary to acquire or save property—the being careful, so as to economize in all things, and, by so doing, grow rich in health, happiness, and wealth,—is a study neglected, as if the gods would endow us with the power to secure the result we all want instinctively? It is because men do not think. But stern necessity, the competition within and without the nation, will compel the people to see that to manage the affairs of a nation, a warehouse, or a home, we must understand political, social, and domestic economy; we must learn the laws of acquiring and distributing wealth. The management of the nation, the shop, the home, must give evidence of a careful economy; our economy must be sincere.

"Of all the inventions of which Necessity is the stern mother, the inventions of Economy are the most prominent at the present day. Many new forces have recently been discovered and placed under the control of man; but it is the utilization of hitherto useless things which still more peculiarly characterizes our times. What our forefathers neglected or despised we have learnt to appreciate; what they threw away we carefully gather up. Nothing is too small or too mean to be disregarded by our scientific economy. The seeming rubbish and fag-ends of creation, which our ancestors would gladly have thrown over the garden wall of the world into the limbo of chaos or of space, are now converted to profitable purposes, conducive to the greater comfort and prosperity of life. 'Waste nothing' is the key-note of our material industry. In the farm and in the manufactory, and not least among the vast hives of population in our great cities, the word 'refuse,' in its old sense, is well-nigh exploded. We now see that everything is of use, if we take it to the right place, and put it to its right purpose. Just as the farmer turns even the weeds to account, so is it in all the other branches of industry. The making of many small gains is now considered a safer and more profitable mode of business than aiming at a few large ones. It is the utilization of neglected resources, the accumulation and concentrated appliance of a thousand forces or savings, each trifling of itself, which is the basis of our extending power. We are economizing our money, like everything else; and this economy of capital, almost as much as the new gold mines, is the agency which is giving to commerce its enormous expansion.

"The first gold-seekers in California, we are told, did their work so rudely and imperfectly that their successors, when they came into

the field with new and better appliances, found it a profitable business to occupy the old diggings, and extracted from the despised heaps of refuse about as much of the precious metal as had been obtained by the first workers. The first comers thought only of nuggets and large prizes; the later ones sought their chief gain in concentrating and extracting the invisible grains of precious ore from over a wide and apparently unpromising field. The appliances of banking have a similar effect in our social system. They have economized enormously the wealth of every country in which, like our own, they have been well developed."—*The Economy of Capital* (R. H. PATTERSON).

In the "Balance-sheet of the World," by M. G. Mulhall (p. 47), we find the above statements confirmed: "Surprising as it may appear, we use less money in Great Britain, compared with commerce and other industries, than any other country of Europe or America, as may be seen by Table 16." At page 90 it is stated that "Holland comes next to Great Britain in the economy of her capital." Total abstainers will perhaps explain what is stated as a fact based upon statistics for the last ten years, "that in Holland the consumption of spirits is about *three times* the European average. The people are well fed, are able to perform a great deal of work, and *their death-rate is low.*"

Pages 48 and 49 should be carefully read by every grumbler, more especially by those who predict the decline of the nation; the evidence is reliable, and proves that we were never better off, individually and collectively, and intimates plainly to us that if we are wise, we shall not contract or restrict freedom of the individual, or freedom of trade, but remove as quickly as possible whatever restrictions or monopolies still exist with us. Mr. Mulhall asks two questions, viz.:—

1st. Is the average income, after payment of taxes, greater or less now than in 1870?

2nd. Is the public welfare extending to a wider circle, or are the rich growing richer, the poor poorer?

In answer to the first question, it suffices to adduce the following figures:—

	1870.	1880.
Average Income	£30 10 6	£33 10 4
Taxes and Rates	3 13 5	3 19 9
Net Income	£26 17 1	£29 10 7

Not only is the net income per inhabitant 10 per cent. higher than it was ten years ago, but it far exceeds that of any other nation

in the world, being more than double the European average (Table 20) and 16 per cent. greater than in the United States.

As to the second question, all indications point to one conclusion —namely, that the number of persons in easy circumstances, or at least above want, is increasing much faster than population. Three indisputable proofs may be quoted:—

I. The number of paupers has declined 19 per cent., and the ratio to population is now but 3 per cent. against 4 per cent. in 1870, viz.:—

	1870.		1880.	
	No. of Paupers.	Ratio to Pop.	No. of Paupers.	Ratio to Pop.
England..	1,079,000	4·79	838,000	3·29
Scotland..	126,000	3·78	98,000	2·68
Ireland ..	74,000	1·37	101,000	1·88
United Kingdom	1,279,000	4·10	1,037,000	3·01

II. The consumption of tea, coffee, sugar, and tobacco, per inhabitant, has increased all round about 20 per cent., being double the increase of net income as shown above; the prices of these commodities having, moreover, fallen in the interval:—

	1870.	1879.	Rate of Increase.
Tea, lbs.	3·81	4·70	23 per cent.
Coffee, lbs.	0·98	1·00	2 ,, ,,
Sugar, lbs.	47·23	66·24	40 ,, ,,
Tobacco, lbs.	1·34	1·41	5 ,, ,,

III. The savings' banks, which serve to gauge the progress of wealth among the working classes, show an increase of 30 per cent. in ten years, viz.:—

	Amount.		Ratio per Inhabitant.		Increase.
	1870.	1880.	1870.	1880.	
England ..	£46,229,000	£65,396,000	£2 1 1	£2 11 4	25 per cent.
Scotland..	4,132,000	6,863,000	1 4 9	1 17 6	50 ,, ,,
Ireland ..	2,696,000	3,550,000	0 9 11	0 13 3	33 ,, ,,
U. King.	£53,057,000	£75,809,000	£1 14 1	£2 3 11	30 per cent.

"A just economy, and splendid at home" (Hughes). There can be no doubt of it; without *economy*, there is no real splendour. *Waste*, reckless prodigality, will ruin a Rothschild. It means show without reality; a gilded sepulchre—beautiful without, rotten within. A just economy is precisely the reverse. No individual is happier than he who knows that he is making a thrifty use of his takings and time; managing his affairs without loss or waste, frugal in all his expenditure, with prudence ever at his elbow encouraging a disposition to

save. A man can only be just—that is, pay for what he buys, able to live his life without the help of others—by an economical use of the money he is able to earn. Rather than the people should continue to be so prodigal of their own and nature's resources, I would see them economists even to parsimony. But if wisely taught when young, at school, at home, and from the pulpit, the value of economy and frugality, there would be no reason to fear the mass of people becoming parsimonious. Why? Because economy is a virtue, and parsimony a vice. With Swift, "I have no other notion of *economy* than that it is the parent of liberty and ease." I would rather the people were thriftless than *misers*. I want the people to be economical from a conviction that it is their duty to use frugally and wisely the power at their command, mentally, physically, and pecuniarily. I want them to be economical from a horror of debt, to have too much self-respect to be indebted to any man, to have such a healthy monitor within them that they will regard a "debt" of goods or money as a sacred trust; their own consciences telling them that it is a robbery to be entrusted with 20s. by another, and not to return it, and therefore refusing the aid of a law that will let them off by paying it with 10s. or less; having too much pride and self-respect to think of taking help from others. As a rule, those who beg and pray to God for help are too lazy or too righteous to help themselves. Such natures take, but never give. He who begs and prays for himself seldom or never does anything for others. The ideal I put before you is very different. Try to be self-reliant, self-dependent, economical, but not parsimonious; with the most persistent tenacity, pushing onwards, but *upwards* also.

Economy is a science of exact quantities—a method which avoids all waste and extravagance; the art of making the most out of everything, and applying the money so made to the best advantage; helped by frugality, which casts off all indulgences, and proceeding on a system of rigid and habitual saving, systematically pursued by a nation, there would be neither bankrupts, paupers, nor national debts. Economy is a virtue, but remember that "the boundaries of virtue are indivisible lines; it is impossible to march up close to the frontiers of *frugality* without entering the territories of *parsimony*" (Arbuthnot). Parsimony is frugality carried to an extreme; but there is no more reason why frugal people should become parsimonious, than that we should become gluttons through eating the daily food we require to keep life within us. Whether we remain frugal or become parsimonious will depend upon the motives from which we act. We all ought to be *frugal*, but we need not carry this virtue to the extreme, and make our actions vicious, by a sordid mode of living, and the

meanness of spirit which characterizes the actions of the parsimonious. The present age needs to be economical. Thrift and frugality are not pushed to parsimony; on the contrary,—

> "The rage for competition, show, and style,
> Is London's plague, and spreads for many a mile.
> No rank nor age escapes that vulgar sin,
> Breathed in its nurseries, in its schools worked in."

Economy is too often taxed with anxiety as a companion; but it should not be. True economy guards against the probable, nay, *inevitable* wants of a future time, when the brain and hand will be unable to provide for their sustenance. Economy does not forecast evil; it only guards and protects us against evil. Anxiety is good for nothing if we cannot turn it into a defence. But there is no defence against *all* the things that might be. Let us keep our anxieties for those things that our reason tells us *may be*, and show a wise foresight by practising economy, and thereby lessen our anxieties for the future. For all healthy people, all properly trained minds, economy has its pleasures; I mean a forced economy, from a falling-off in the income, when the healthy brain grasps the altered situation, and resolves to conduct the establishment as sparingly as possible—when one and all bear, like men and women should, the reverse uncomplainingly, only thinking "it might have been worse," and each striving to make the loss of this or that less felt by others, in their cheerful acceptance of the inevitable. Borne in this spirit, the trouble of adversity has a salutary effect—is often the saving of many whose consciences have begun to slumber amidst the gratifications of ambitious vanity and the desire for luxury that prosperity is apt to kindle within us, and which takes a deal of killing.

We do not attach enough importance to the fact that, though civilization progresses with such giant strides, human nature remains much where it was a thousand years ago. Why? Because no systematic, thoughtful effort has been made to improve the race—to stimulate within man nobler aspirations, a desire to reach a higher altitude; not from discontent with what is, but a vague dissatisfaction with oneself unless our life shows something attempted, something done, and we die with the sense of victorious accomplishment. It does not matter what the position of life; *all* can be better than they are. But we must recognize that the power is within. Progress and self-dependence are synonymous terms, as self-contempt and happiness are incompatible. Men should have such unbounded trust in the Creator that they intuitively feel "success" to nation or individual is as certain as that night follows day; they are too apt to consider "difficulties" as impossibilities, to attribute success to luck or extraordinary abilities.

Yet, like many others, President Garfield's life was a struggle from its birth, heroic in its beginning, in its long struggle, and in its end. Such men feel their responsibility, and value their integrity and independence. The future of a nation or individual is full of peril whenever the people fail to do as much as they might, can, and should do for themselves. What has been the ruin of Ireland? A perpetual childishness, that compels the Irishman to be ever a Government nursling, a priest's slave, the prey of agitators. There can be no progress, nor amelioration of the miseries of that unfortunate people, until they can walk alone. To do this, they must recognize that their "true friends" are those in power who compel them to obey the law, not from fear, but from a respect for the rights of property and the sacredness of life. Once they feel themselves "men," they will look with disgust on the "paternal government" that made contracts for them; they will cease to be slaves, and become "free men," determined to uphold and maintain the right of "every man" to make his own contract in buying and selling, and wise enough to see that, let the bargain be good, bad, or indifferent, as an "honest" man, having made it, he is bound to fulfil it. Government valuation, courts of arbitration, compensation for being evicted, for being turned out of a man's house because you have failed to pay the rent for it,—all such schemes are ruinous to any country, undermining the sacredness of contracts, the rights of property, the freedom of individuals. Contrast Scotland with Ireland; the one so progressive, the other so stationary or retrogressive. Why? Because the one is a child, always under the thumb of the "priest," the "Government," or the "demagogue," and, like a child, wanting the "impossible" something realized by some one else, and, failing this, listening to those who advise him not to pay others their due; whilst the others are men, who agree with their landlord, and fix their own price, and, having made a contract, abide by it. Capital and enterprise push on the one, and hold aloof from the other. In the Scotch we have a people prosperous, contented, loyal, and law-loving; and the condition of the country as it is, if contrasted with what it was a hundred years ago, exhibits a progress that is almost incredible. But they understand the rights of being "free men;" they have too much sense to think that man can, by his "law," put aside God's law of supply and demand; they know the danger of "paternal government;" they prefer being self-reliant; they are able and willing to comprehend the liability of manhood; they refuse with indignation being protected by the State; they are men, and know it, and reject with scorn the "State protection" that would keep them a Government nursling. The Irish, all *stationary* countries, peoples, or individuals, have much

to learn, but much more to unlearn. They have to unlearn the religion of the priests, and its inevitable sequence, "extraneous help," whether it be from God or man. The only roads to progress are labour and thrift, self-help and reliance. No priest or government have ever made this end their aim; on the contrary, the latter have given alms—help that undermines all self-help, destroys all self-reliance; and the former has preached submission to the will of God, and recommended prayer, and faith in a future, as compensation to us for the miseries of the present. But the mass of the people cannot be clothed, fed, and housed upon this principle. They must not only understand the present, but must consider contingencies in advance of the present time. A nation can only keep its position by being perpetually engaged in laying the foundation of future prosperity. If this be done wisely and well, the people need have no fear; if they do *their part*, they may have faith, and wait for the certain results to develop themselves in the years to come. The thing to dread is, trusting to chance, or those kind friends who offer to help us in case of need. We should view with suspicion anything that induces us to fail to do as much as we are able to do for ourselves. The failure is full of peril to the individual or the country that leans on extraneous help. The law of supply and demand appears hard to those who find the task of keeping body and soul together more than body and soul seem worth. Our poor is not a cheerful subject to contemplate; the thrift and economy of the better portion—the pinching and paring, piecing and mending, to keep things even; whilst, with the thriftless, there are need and want—men gaunt and haggard through drink, women and children hungry, rooms dirty and bare, houses ill-ventilated and badly drained. Too true; still, the only policy is to "make the best of things." It is always "darkest before dawn." If things are bad, they will not be made worse by thrift and management. And if the populations of our large manufacturing or mining towns are periodically reduced to a state of semi-starvation by the cessation of their special branch of industry, ought not the passing through one such ordeal, with closed factories, empty shops, overloaded pawnbrokers, and the pinched faces and ragged appearance of all, to be a warning to lay by in future, and prepare for the "rainy day" that must come again, inevitably, sooner or later?

Too much is said about the reckless extravagance, want of frugality, and intemperance of the working classes. Have those who are so fond of talking about the outrageously high wages the labouring class receive, ever really ascertained what the average earnings of workmen are, or considered the various causes that from time to time arise so as to interfere with their continuity, or which affect them

to such an extent as to reduce them considerably below the maximum wages usually accredited to them? or have they, before giving their opinion upon the subject, got an approximate estimate of the cost of living, house-rent, rates and taxes, firing, and other inevitable items of outlay; and, after comparing income with legitimate expenditure, ascertained how much is left to be spent in those indulgences to which reference is so frequently and disparagingly made? or have they paid attention to the *facts* furnished with regard to the thrift of the working classes, as evidenced in their savings, investments, provision for old age, sickness, funeral benefits? or have they gone into their dwellings, and seen, by the increased domestic comforts and the more tidy appearance of themselves and their families, that they have not been wholly unmindful of the additional advantages which they now enjoy, through the political and social struggles of the last thirty years? In the *Contemporary Review* for June, 1878, Mr. George Howell goes thoroughly into this subject, and by comparing the wages of thirty years since and now, and from the details he gives of the building trades, iron trades, printing, bookbinding, shoemaking, and domestic trades, he clearly proves that 1877 against 1847 shows an increased weekly wage of about 30 per cent. advance, and gives an average weekly wage of from 30s. to 40s. But he contends that, owing to drawbacks, weather, &c., bank holidays, Christmas, Easter, &c., the average weekly wages of the wage-earning class generally for the year can only be estimated at 25s. to 35s. He then gives the price of meat from 1847 to 1877, and shows a strong increase in the thirty years, resulting in an advance of 40 per cent. in beef, and 50 per cent. in mutton. Bread has been reasonable and fairly uniform in price throughout the last thirty years, but vegetables have gone up as much as 100 per cent. Potatoes, which in 1847 were ½d. per lb., or 3 lbs. for 2d., are now 1d. or 1¼d. per lb.; cabbages, that were ½d. or 1d. each, are now 2d., 2½d., and even 3d.; turnips, that were 2d. a bunch, are now 5d. and 6d. Fish has frightfully advanced; pears, &c., are at such prices that the working classes really cannot buy them. On the other hand, tea, sugar, currants, dried fruits, as raisins, rice, and similar farinaceous foods, are, if not cheaper, certainly not dearer than they were in 1847. But house-rent has advanced terribly in price—quite doubled; and as small houses in towns are getting scarcer every year, the rents for the working classes must become higher still; and if they go in the suburbs, it must be remembered that they are compelled to pay for transit to and from work, so that in the end it amounts to the same thing. Apartments are about double in price, notwithstanding the Peabody Buildings and Model Dwellings. Coal, though cheap now,

was very high in price during the period wages were at their highest point. Clothing generally is much cheaper, but boots are dearer. I will not, as so many do, take the highest average wages and the lowest average price of provisions—as the premises from such deductions are not only misleading, but unfair—but, for argument's sake, will suppose the average wages for the labouring class to be 35s. per week; and a very little reflection will show you how far this sum will go in providing home, food, clothing, and other necessaries of life. By this means alone can we fairly judge as to what is left to be spent in indulgences by the improvident on the one hand, or the margin left for saving and investment by the thrifty. As a rule, the working class marry, and we may take, as an average, the family as five—viz., man, wife, and three children: five to be fed, clothed, housed, warmed, and three to be educated. In or out of work, in sickness and in health, day by day, all the year round, there is no cessation in these demands: let us see how far 35s. per week will go in satisfying the same. Rent, at the very lowest, will be 5s. a-week; coal, 1s. 6d.; schooling, say, 6d.; club, 1s.; and we have 27s. with which to feed and clothe five persons, and provide all the little but needful household expenses, however humble that home may be. I assume it to be impossible for the bread-winner, the man, to be fed at a less cost than 10s. per week. The Sunday dinner, &c., when the family are all at home together, cannot be put at less than 3s. We have now left *14s.* to *clothe* the man, and feed and clothe the wife and three children. I would ask those who are so fond of decrying the working class for their extravagances and indulgences, where are the funds to come from? And I maintain, to properly understand this question, however tedious details may be, they are essential, if we *really desire* to understand fully the position and requirements of those whose conduct and habits are under review. And to me it is simply wonderful how the class, as a body, manage to live, and save, let the sum be but trifling. We must remember, in this case it is real *self-denial*, from a manly desire to keep themselves out of the pauper class, or from becoming inmates of the workhouse in their old age. I think you will agree with me, that we must cease to consider the whole of the working class as improvident and extravagant; but that there is a large and increasing number of thrifty, saving people amongst them; that, instead of condemning *all*, as we do, it is our duty to sympathize with them in their difficulties, and by judiciously bringing before them the benefits of thought and thrift, appeal to their self-interest to make the most of their time and skill; show them the value of economy for their own comfort—of saving, let it be ever so little, for their own independence. As regards their frugality as a class, we cannot ignore the fact

that there are 26,087 registered societies, with a total of 3,404,187 members, whose aggregate funds amount to £9,336,949. The members of unregistered societies may be put down as numbering nearly 1,000,000, with funds amounting in the aggregate to £2,000,000 sterling. The Loan Societies are 373, with members, 30,048; accumulated funds, £155,065. The number of Building Societies is 396, and their total funds amount to £12,580,013. The Provident Societies number 1,163, with 420,024 members, and accumulated funds of £6,199,266. (There are many other Building and Provident Societies registered under the Limited Liability Companies' Acts.)

The number of Trades' Unions registered under the Act is 215; the total number of members is 277,115; and the funds amount to £391,595. But a great number of the largest societies are unregistered. The total of such societies cannot be less than 2,000, members 1,000,000, and the funds at least £2,000,000. The Savings' Banks' returns are equally interesting and suggestive. The number of Trustee Savings' Banks is 463; the number of depositors, 1,493,401; the total of deposits, £43,283,700. There are 5,488 Post-office Savings' Banks, 3,166,136 depositors; the total amount of deposits, including interest, £26,996,550 10s. 3d. There are nine Railway Savings' Banks, confined strictly to railway employés, with 7,898 depositors, and an accumulated fund of £153,572. The grand total of the preceding figures shows that there are about 10,121,694 depositors, of one kind and another, either in societies or provident banks, and that the accumulated funds amount to no less a sum than £100,705,055. And although it may be argued that the middle class are largely represented, it must be admitted that a large proportion of this vast sum belongs to the working classes, and affords evidence of provident habits among great numbers of them. Another point that must not be overlooked, as it will exercise considerable influence for future good, is the vast improvement in the character of the homes of the working classes during the last twenty or thirty years. I anticipate much beneficial influence, and regard this as the only sure foundation for future good—viz., the improved air and comfort in and about the homes, to which formerly they could lay no pretensions. Again, their food, on the whole, is superior, their clothing better and warmer; the tone of the family generally is elevated; so that, if the *spare* money has not always been put into the savings' bank, it has at least been used to advantage in the purchase of furniture and other necessaries for the home. Twenty-five years ago, the men were paid late on Saturday night, and butchers, bakers, greengrocers, &c., were open on the Sunday to sell them the Sunday dinner; and bakehouses were allowed to be open during specified hours on Sunday, for the purpose of baking

the dinners of the labouring classes, whose houses afforded no such convenience. The people might be seen flocking to the bakehouse before eleven o'clock with their dinners, and after one to fetch them; but increased accommodation for cooking purposes has supplanted the bakery, and dispensed with the services of the overworked bakers on Sunday. Every one will admit that all this tends to exert a salutary and beneficial influence on the minds of the rising generation, which cannot fail to be productive of future good.

I, of course, am fully aware that there is a dark side to the picture, and a sad one. There is a large number who seem to resist every effort to uplift them in the social scale. They neither read nor think; they are content to grovel and drink, utterly regardless of the consequences either to themselves or their families. They appear to be devoid of all sense of shame, dead to all the finer feelings and instincts of manhood; having no ambition and no hope, they are selfish and brutish in the present, and heedless of the future. But the one bright spot on this sombre picture is, that the class above described is surely and steadily, if slowly, decreasing; and, looking to the results of primary education, the influence of school discipline, and the improved tone of social life, we may reasonably think this progress will be accelerated. It is the duty of *all* men, but especially of every workman, to raise the self-respect of his fellow-workmen, and particularly to assist in stamping out the demon of intemperance—the source of so much misery. The elevation of their class should be clearly shown to them to be the surest means of their own elevation; as in proportion to the extent to which the man is improved, so will the power, influence, and moral and material weight of the whole working population be augmented and enlarged. The advancement of individual workmen is good so far as it goes, but it is not the highest good; the aim of all thoughtful men should be to develop the noblest qualities of the humblest workman, and to carry reform into the hovels of the lowest strata of the community, for here it is that it is most needed.

"The insatiate lust of power and pride
No limit knows, yet hard beside
Dwell woe and mortal grief;
And human fate all recklessly
Goes speeding o'er th' unwarning sea,
To strike upon the hidden reef.

"And prudence warns with fearful voice
To make some timely sacrifice,
Uttering her sage behest;—
So might the house escape her doom;
So might the sinking bark come home
Safe to the haven's rest."

The above too truly represents "human life." Prudence does not warn the young life; and when shattered and broken—a wreck—the men are few and far between who willingly lend a hand to repair the damaged bark. The human soul is more difficult to handle than a ship, yet we trust its training to men who, as a body, know nothing of it, or the human vessel would be set afloat better prepared for encountering the storms it has to meet. Our teaching lacks "practicality." It is based on the idea of divine interposition and miracles; whereas the mind should be fortified and strengthened for its life's work by the belief in God's laws; and "the one universal miracle ever present to their mind should be the remembrance of their Creator, and their lives regulated, directed, elevated, by the thought of the stupendous multitude and greatness of His mighty works."

Life, to the majority, runs on in the same monotonous way; day after day, year after year, work! work! work! And to the majority, stern poverty ever present; and to many debt and difficulty are inseparable companions—often caused by, or accompanied with, sickness and sorrow. How many walk the streets of London and other large towns, and know not where to get a meal! I do not allude to the so-called "poor" people (as a rule, they are up to all the moves by which a meal can be had), but the reduced genteel people—the young man or woman up here without a friend, and whose self-respect prevents their begging a meal, which the poor waif does as a matter of course. Life is a harder problem than any proposition of Euclid, yet we are taught to solve the one, but not the other. The true object of all training, all teaching, all appeals to man, is "to rouse the intellect out of its slumber by questions of vast importance, to clear the atmosphere breathed at school, shaking the mind to its very roots, as a storm shakes the young oaks, not to throw them down, but to make them grasp the more firmly the hard soil of fact and truth" (MAX MULLER). The sign of progress is, when a man learns to work, not to please others, but from sheer love of work in and for the highest of all purposes—conquest of truth. We are too much under the tyranny of the past. Custom, "heavy as frost, and deep almost as life," weighs on us; tradition fetters us; and we, the heirs of all the ages, find that our inheritance hampers us with a bondage very difficult to undo. The essential point to insure the progress of mankind is to imbue them with a deep scorn for an objectless life, and an honest contempt for chicanery, mere formal conventionalities, hypocrisy, and veneer of all kinds. They must, one and all, be resolved to lead a life worthy of their manhood, "*sans peur et sans reproche*;" with an innate conviction that "a man never climbs so high as when he does not see where he is going" (ELIHU BURRITT).

DIVINE ECONOMY.

"It were better to have no opinion of God at all than such an opinion as is unworthy of Him; for the one is unbelief, the other is contumely."—BACON.

MANY will think me presumptuous in treating of a subject they think beyond a layman's grasp; but, looked at thoughtfully, the daily life, the outward world, that which we know of creation in its various phases, the causes of misery and happiness, success and failure, all teach us something of the Creator; and the punishment of ignorance is so great that we are justified in inferring that it is God's wish and man's duty to use his powers in learning the ways of the Ruler of the universe, as man's happiness depends upon his obeying nature's laws. In the "Balance-sheet of the World" (pp. 51, 52) it is stated: "Hygiene has also made remarkable progress, except in Ireland, where it is so shamefully neglected that Dublin and Belfast have the heaviest death-rates in the United Kingdom, being almost on a par with Tunis or Naples. The mortality of England and Scotland has declined during the last ten years nearly 10 per cent., whereas in Ireland the rate for 1879 was almost 20 per cent. higher than in 1870 (the mortality from insufficient food not exceeding 5 per cent. of such increase):—

	Deaths.		Per 1,000 Inhabitants.	
	1870.	1879.	1870.	1879.
England ..	515,329 ..	528,194 ..	22·90 ..	20·7
Scotland ..	74,067 ..	73,329 ..	22·20 ..	20·03
Ireland ..	90,695 ..	105,432 ..	16·78 ..	19·67
United Kingdom	680,091	706,955	21·79	20·49

The saving of life, from this reduction of 1·3 per 1,000 in the death-rate, is equal to 45,500 persons annually, representing a money value of £10,900,000 sterling at the ordinary capital worth (£240) of each inhabitant of the United Kingdom, or four times the actual yearly product of his or her labour (Table 2)—a startling proof of the "economical" advantage of ascertaining and obeying the Creator's laws. It is imperative that mankind shall know all that man has ascertained of the "Divine Economy." Teach all men what we

know of nature's laws, the value of obedience, the penalties of disobedience thereto; above all, that "justice is the soul of the universe." Give all men faith in God, a belief in the wisdom and regularity of His laws, that will enable them to bear heroically suffering and misery that at times seem inexplicable to us. I have introduced "Divine Economy" to stimulate within you an aspiration to do your duty in daily life, supported by the desire to copy, in your humble way, the same economy, by regularity and simplicity of method; a belief in "cause and effect," that will help you onward, undeterred by difficulties and failures, ever zealously and earnestly striving for the good of humanity, by achieving the "maximum of result" with the minimum of outlay. Let your motto be "Waste not, spare not," which seems to be the basis of the divine government of the universe.

If economy of the highest kind be the perfect adaptation of means to ends, divine economy is perfection. Man constructs machines which seem capable of doing work as if there was a knowledge within them; but we know the knowledge is not in the machine, and that the foresight and the skill is in the man who constructed it so cleverly for the special work it has to perform. But in machinery we see man's "limited" power; his machines are being continually improved upon and superseded; they become useless, owing to better machines for doing the same work. The great drawback with machinery is the "yearly writing off" in anticipation of an inevitable loss. But in nature we have the economy without the drawback. God's power is illimitable; hence His work does for *all* time. His arrangements were as perfect at the beginning as now. Man cannot make a machine which has any of the gifts or powers of life; his machines betray an entire absence of consciousness, of sensibility, of will. But God, or the Agency that is outside nature, contrives and builds up structures of the most diverse and varied kinds, all endowed with the gift of life, all able to do what is necessary to enable them to live—structures which shall not only digest, but shall also feel and see, which shall be sensible of enjoyment from things conducive to their welfare, and of alarm on account of things which are dangerous to the same. Then such structures have the same relation to that Agency which machines have to man, and in this aspect it may be a legitimate figure of speech to call them living machines. What these machines do is different in kind from the things which human machines do; but both are alike in this, that whatever they do is done in virtue of their constitution, and of the powers which have been given to them by the mind which made them. For instance, a young Dipper that had never seen the water stumbles into a pool;

the effect is most curious. When the young bird touches the water, there is a moment of pause, as if the creature were surprised; then instantly there seems to wake within it the sense of its hereditary powers; down it dives with all the facility of its parents. And the action of its wings under the water is a beautiful exhibition of the double adaptation to progression in two very different elements, which is peculiar to the wings of most of the diving birds. The adaptability of the means to the end is complete.

"In the first place, the young Dipper had a physical structure adapted to diving. Its feathers were of a texture to throw off water, and the shower of pearly drops which ran off it when it emerged from its first plunge showed in a moment how different it was from other fledgelings in its imperviousness to wet. Water appeared to be its 'native element,' precisely in the same sense in which it is said to be the native element of a ship which has been built high in the air, and of the not very watery materials of wood and iron. Water, which it had never seen before, seemed to be the native element of the little bird in this sense, that it was so constructed as to be and to feel at home in it at once. Its 'lines' had been laid down for progression both in air and water. It was launched with a motive-power complete within itself, and with promptings sufficient for the driving of its own machinery. For the physical adaptation was obviously united with mental powers and qualities which partook of the same preadjusted harmony. These were as congenital as the texture of its feathers or the structure of its wing. Its terror arose on seeing the proper objects of fear, although they had never been seen before, and no experience of injury had arisen. This terror prompted it to the proper methods of escape, and the knowledge how to use its faculties for this object was as intuitive as the apparatus for effecting it was hereditary. In this sense the Dipper was a living, breathing, seeing, fearing, and diving machine, ready made for all these purposes from the nest, as some other birds are even from their first exclusion from the egg.

"The case of the young Merganser is still more curious and instructive with reference to the same question. The young of all the *anatidæ* are born, like the gallinaceous birds, not naked or blind, as most others are, but completely equipped with a feathery down, and able to swim or dive as soon as they see the light. Moreover, the young of the Merganser have the benefit of seeing, from the first, the parent bird performing these operations; so that imitation may have some part in developing the perfection with which they are executed by the young. But the particular manœuvre resorted to by the young bird which baffled our pursuit

was a manœuvre in which it could have had no instruction from example—the manœuvre, namely, which consists in hiding not under any cover, but by remaining perfectly motionless on the ground. This is a method of escape which cannot be resorted to successfully except by birds whose colouring is adapted to the purpose by a close assimilation with the colouring of surrounding objects. The old bird would not have been concealed on the same ground, and would never itself resort to the same method of escape. The young, therefore, cannot have been instructed in it by the method of example. But the small size of the chick, together with its obscure and curiously mottled colouring, are specially adapted to this mode of concealment. The young of all birds which breed upon the ground are provided with a garment in such perfect harmony with surrounding effects of light as to render this manœuvre easy. It depends, however, wholly for its success on absolute stillness. The slightest motion at once attracts the eye of any enemy which is searching for the young. And this absolute stillness must be preserved amidst all the emotions of fear and terror which the close approach of the object of alarm must, and obviously does, inspire. Whence comes this splendid, even if it be unconscious, faith in the sufficiency of a defence which it must require such nerve and strength of will to practise? No movement, not even the slightest, though the enemy should seem about to trample on it; such is the terrible requirement of nature, and by the child of nature implicitly obeyed! Here again, beyond all question, we have an instinct as much born with the creature as the harmonious tinting of its plumage—the external furnishing being inseparably united with the internal furnishing of mind which enables the little creature, in very truth, to 'walk by faith, and not by sight.' Is this automatonism? Is this machinery? Yes, undoubtedly, in the sense explained before,—that the instinct has been given to the bird in precisely the same sense in which its structure has been given to it; so that, anterior to all experience, and without the aid of instruction or example, it is inspired to act in this manner on the appropriate occasion arising.

"The creature which naturalists call the Aurœba, one of the lowest in the animal series, consists of nothing but an apparently simple and formless jelly. But simple and formless as it appears to be, this jelly exhibits all the wonder and mystery of that power which we know as life. It is in virtue of that power that the dead or inorganic elements of which it is composed are held together in a special and delicate combination, which no other power can preserve in union, and which begins to dissolve the moment that power departs. Mental life is the greatest wonder of the world—that

unity which exists between the living organism and the elements around it, which renders that organism the appropriate channel of mental communications with the external world, and a faithful interpreter of its signs. And this the organism is, not only by virtue of its substance and composition, but also and especially by virtue of its adjusted structures. All the organs of sense discharge their functions in virtue of a purely mechanical adjustment between the structure of the organ and the particular form of external force which it is intended to receive and to transmit. How fine those adjustments are can best be understood when we remember that the retina of the eye is a machine which measures and distinguishes between vibrations which are now known to differ from each other by only a few millionths of an inch. Yet this amount of difference is recorded and made instantly applicable in the sensations of colour by the adjusted mechanism of the eye. Another adjustment, precisely the same in principle, between the vibrations of sound and the structure of the ear, enables these vibrations to be similarly distinguished in another special form of the manifold language of sensation. And so of all the other organs of sense; they all perform their work in virtue of that purely mechanical adjustment which places them in a given relation to certain selected manifestations of external force, and these they faithfully transmit, according to a code of signals, the nature of which is one of the primary mysteries of life, but the truthfulness of which is, at the same time, one of the most certain of its facts.

"The spinning machinery which is provided in the body of a spider is not more accurately adjusted to the viscid secretion which is provided for it than the instinct of the spider is adjusted both to the construction of its web and also to the selection of likely places for the capture of its prey.

"Those birds and insects whose young are hatched by the heat of fermentation have an intuitive impulse to select the proper materials, and to gather them for the purpose. All creatures, guided sometimes apparently by senses of which we know nothing, are under like impulses to provide effectually for the nourishing of their young. It is, moreover, most curious and instructive to observe that the extent of prevision which is involved in this process, and in the securing of the result, seems very often to be greater as we descend in the scale of nature, and in proportion as the parents are dissociated from the actual feeding or personal care of their young. The Mammalia have nothing to provide except food for themselves, and have at first, and for a long time, no duty to perform beyond the discharge of a purely physical function. Milk is secreted in them by a purely unconscious process, and the young need no instruction in the art of

sucking. Birds have much more to do—in the building of nests, in the choice of sites for these, and, after incubation, in the choice of food adapted to the period of growth. Insects, much lower in the scale of organization, have to provide very often for a distant future, and for stages of development not only in the young, but in the *nidus* which surrounds them.

"There is one group of insects, well known to every observer—the common Gall-flies—which have the power of calling on the vegetable world to do for them the work of nest-building; and in response to the means with which these insects are provided, the Oak or the Rose does actually lend its power of growth to provide a special *nidus* by which the plant protects the young insect as carefully as it protects its own seed. Bees, if we are to believe the evidence of observers, have an intuitive guidance in the selection of food, which has the power of producing organic changes in the bodies of the young, and by the administration of which, and what may be called artificial conditions, the sex of certain selected individuals can be determined, so that they may become the mothers and queens of future hives.

"These are but a few examples of facts of which the whole animal world is full, presenting, as it does, one vast series of adjustments between bodily organs and corresponding instincts. But this adjustment would be useless unless it were part of another adjustment between the instincts and perceptions of animals and those facts and forces of surrounding nature which are related to them, and to the whole cycle of things of which they form a part. In those instinctive actions of the lower animals which involve the most distant and the most complicated anticipations, it is clear that the prevision which is involved is a prevision which is not in the animals themselves. They appear to be guided by some simple appetite, by an odour or a taste, and they have obviously no more consciousness of the ends to be subserved, or of the mechanism by which they are secured, than the suckling has of the processes of nutrition. The path along which they walk is a path which they did not engineer. It is a path made for them, and they simply follow it. But the propensities and tastes and feelings which make them follow it, and the rightness of its direction towards the ends to be attained, do constitute a unity of adjustment which binds together the whole world of life, and the whole inorganic world on which living things depend."—*Contemporary Review*, November, 1880: "The Unity of Nature" (Duke of Argyll).

The Creator has bestowed on physical nature, on man and on the animals, a definite constitution, which acts according to fixed laws. A *law of nature* is a fixed mode of action; it implies a subject which acts, and that the actions or phenomena of that subject take place in

an established and regular manner. This is the great value of the "divine economy"—laws that never vary or err in their action, laws that are applicable to, and adapted for, all ages. Another striking feature in the divine arrangements is, that each part of the world produces the necessary and best food for its inhabitants. A certain kind of moss is abundant in Lapland in winter; the reindeer feeds on it, and enjoys health and vigour in situations where most other animals would die. Camels exist in Africa, and they have broad hoofs, and stomachs fitted to retain water for a considerable time; so they flourish amid arid tracts of sand, where the reindeer would not live for a day. By these arrangements, the reindeer and camel are fitted to assist man. In many of the tropical regions of the globe, where a high atmospheric temperature diminishes muscular energy, the fertility and productiveness of the soil are so largely increased that far less labour suffices for the raising of food. In the colder latitudes the earth is more sterile, but there muscular energy is more abundant, to meet the greater demands that are made upon it.

"The food afforded by the soil in each climate appears to be adapted to maintain in health the organic constitution of the people, and to supply the degree of muscular energy necessary for the particular wants of the locality. In the Arctic regions no farinaceous food ripens; but on the question being put to Sir John Richardson how he, accustomed to the bread and vegetables of temperate countries, was able to relish the purely animal diet on which he lived when visiting the shores of the Polar Sea with Sir John Franklin, he replied, that the effect of the extreme dry cold to which he and his companions were exposed—living, as they did, in the open air—was to produce a desire for the most stimulating food they could obtain; that bread in such a climate was not only not desired, but comparatively impotent, as an article of diet; that pure animal food, and the fatter the better, was the only sustenance that maintained the tone of the system; but that when it was abundant (and the quantity required was much greater than in milder latitudes), a delightful vigour and buoyancy of mind and body were enjoyed. In beautiful harmony with the wants of the human frame, these regions abound, during summer, in countless herds of deer, in rabbits, partridges, ducks, and all other sorts of game, and also in fish; and the flesh of these, dried, constitutes delicious food in winter, when the earth is wrapt in one wide mantle of snow. Among the Greenlanders and other Esquimaux tribes, nothing is so much relished as the fat of the whale, the seal, or the walrus; a tallow candle and a draught of train oil are regarded as dainties, while a piece of bread is spit out with strong indications of disgust" (GEORGE COMBE).

"Cause and effect" is what man has to study; his power is immense if he will but wisely and economically use it. There are many physical energies in nature too powerful to be controlled, but man has received intelligence, by using which he may observe their courses, and can accommodate his conduct to their influence. This capacity of adaptation, implanted within him by the wise forethought of his Creator, is a valuable substitute for the power of regulating them by his will. Man cannot arrest the sun in its course, and thus avert the wintry storms, and cause perpetual spring to bloom around him; but, by the exercise of his intelligence and corporeal energies, he is able to foresee the approach of dark clouds and rude winds, and to place himself in safety from their injurious effects. These powers of applying nature to his use, and of accommodating his conduct to its course, are the direct results of his rational faculties, and in proportion to their cultivation is his sway extended. While ignorant, he is a helpless creature; but every step in knowledge is accompanied by an augmentation of his command over his own condition. To make the best of life, to prolong life, to enjoy life, man must study, comprehend, and obey the natural laws—place himself in harmony with the order of creation,—and thus attain the highest degree of perfection, and reap the greatest extent of happiness his nature is susceptible of. He must understand that the Creator has so arranged His laws that, by acting in accordance with them, we reap enjoyment—by acting in opposition to them, we bring upon ourselves suffering. But he must understand still more—viz., that these inevitable consequences that follow upon our actions have been *pre-ordained by the Divine Mind* for a purpose, and in all phases of suffering henceforth he must see in that purpose the intention to deter intelligent beings from infringing laws instituted by God for man's welfare, and to preserve order and insure progress in the world. The clergy must cease to talk of misery and suffering as God's will; parents must cease to consider their own and their children's disregard of hygienic laws as mere acts of imprudence. When deviating from the natural laws, the infringer must be told in unmistakable language that he is breaking a law deliberately framed for his guidance by divine wisdom, and the observance of which is essential not only for the individual, but the national happiness and prosperity.

Throughout the ages are to be discerned a purpose and a growth. It is wrong to complain of the errors, as they seem to us now, of the past; or to have words of vituperation for the older phases of faith. As the nations have advanced gradually from barbarism to civilization, so also have they advanced from the more imperfect religions of the past, but which, nevertheless, were the natural and necessary

precursors of the later and more perfect ones. From the most ancient paganism to the humanitarianism of our day, there may be detected a steady, irresistible power, ever tending towards amelioration, ever working persistently towards a better, higher, less selfish, and purer life. Acquainted as we now are with this immeasurable universe, and with the energies operant therein, the guises under which the sages of old presented the Maker and Builder thereof seem to us to belong to the utter infancy of things. To the children of Israel the tables of the law were two tablets of stone, prepared, engraved, broken, and re-engraved; while the graving tool which inscribed the laws was held undoubtingly to be the finger of God. We read of Moses and Aaron, Nadab and Abihu, and seventy elders of Israel, climbing Mount Sinai, and actually seeing there the God of Israel. But to the present age such beliefs or conceptions are impossible. We use, by habit, the words they used, but they have lost to us any definite meaning. The world has progressed to that state of knowledge which makes it impossible to attach any literal meaning to those representations of God, and His relation to mankind, which ascribe to Him human senses, appetites, passions, and the actions and experiences proper to man's lower and finite nature. Economically, we waste an enormous lot of time in building up a "conduct of life" for the young that they have to repudiate as they grow old. The shadow of the past will always have its effect. But the ideal put before the rising generation should be one that will accord with man's growing thought. It is a fatal error to surround him with a tradition of myths, to implant within him a "faith" that, as he progresses in thought, must become weaker and weaker. We have passed those painful times when the transmutation from the old belief was accompanied with so much suffering—those days when "faith" gave "Christians" and others such diabolical energy. One can hardly look without despair on the passions excited, the energies wasted, the lives lost, over questions which, after ages of strife, are shown to be mere foolishness. It may have been a necessary ordeal—we can only get clear of the jungle by traversing it—but the errors, conflicts, sufferings, loss of time in the past, have been a hard education of the world. Let us be wise, and use more rationally our power; keeping ourselves free from intolerance, and doing all we can to steer clear, more especially, from the mistakes of those who have the charge and guidance of the great spiritual force, and who are too apt, by their rigid adherence to such traditions, and their efforts to make all new light blend with their old views, to guide us blindly. Until recently, we killed the sick by shutting them up. The balm of fresh air and ventilation few understand at the present day. It is surprising how, if you go to the sea-side for air, and want a few bed-

rooms, one or more will be offered you without a fireplace, with nothing done to let in the fresh air, or allow the foul air to get out. Christ found the religions of the world oppressed almost to suffocation by the load of formulas piled upon them by the priesthood. He removed the load, and rendered perspiration free. He saw that man wanted "life," and He sought to restore it. Forms and ceremonies are without meaning—useless. It was remarked by Martin Luther that Jesus broke the Sabbath deliberately and even ostentatiously, for a purpose. He walked in the fields; He plucked, shelled, and ate the corn; He treated the sick; and His spirit may be detected in the alleged imposition upon the restored cripple of the labour of carrying his bed on the Sabbath-day. He crowned His protest against a sterile formalism by the enunciation of a principle which applies to us to-day as much as to the world in the time of Christ—"The Sabbath was made for man, and not man for the Sabbath." We are told that the Sabbath should be a day of rest, because God made the world in six days, and rested on the seventh. Whether God did rest on His seventh day of work we know not; we know this, that there is no day of rest now; in every department of nature the work goes on unceasingly, without pause or rest. That man needs a rest, or rather a "change" of occupation, is capable of proof; also, that at present he "wastes" this one day in every seven—alike physically, mentally, and socially. For two centuries, the Scottish clergy have proclaimed walking on Sunday to be an act of "heaven-daring profaneness, an impious encroachment on the inalienable prerogative of the Lord God." With Thomas Hood, I ask you to turn from those

> "That bid you baulk
> A Sunday walk,
> And shun God's work as you should shun your own,"

and, instead, think of what God meant Sunday to be, what it might be, what it is, to him who is competent to enjoy it aright.

> "Thrice blessed, rather, is the man with whom
> The gracious prodigality of nature,
> The balm, the bliss, the beauty, and the bloom,
> The bounteous providence in ev'ry feature,
> Recall the good Creator to His creature,
> Making all earth a fane, all heav'n its dome!
> To his tuned spirit, the wild heather-bells
> Ring Sabbath knells;
> The jubilate of the soaring lark
> Is chant of clerk;
> For choir, the thrush and the gregarious linnet;
> The sod's a cushion for his pious want;

And, consecrated by the heav'n within it,
The sky-blue pool, a font.
Each cloud-capp'd mountain is a holy altar;
An organ breathes in every grove;
And the full heart's a psalter,
Rich in deep hymns of gratitude and love!"

THOMAS HOOD.

We want a different conception of the Creator. Do you think, if men had been trained differently, they would have gone on till this day in supine—aye, with the knowledge we possess, I may say criminal—indifference to the ascertaining and removing the causes of the frightful colliery explosions we hear of too often? Must we not have a wrong idea of God to think that He would only bestow upon us such a priceless boon as coal at the price of such dreadful disasters and suffering as now accompany its acquisition? From what we know of God's action by His laws, there can be no hesitation in saying that this misery is not due to God, but that these explosions are the penalty of our ignorance; or, as the late Canon Kingsley said in relation to something else, it is "all because men will not learn nor obey those physical laws of the universe which (whether we be conscious of them or not) are all around us, like walls of iron or of adamant—say, rather, like some vast machine, ruthless though beneficent, among the wheels of which, if we entangle ourselves in our rash ignorance, they will not stop to set us free, but crush us. . . . . Very terrible, though very calm, is outraged nature." Mr. Samuel Plimsoll is trying to solve this problem. The mind that saw in shipwrecks not God's action, but the result of man's cupidity or incompetence, is just adapted to get at the bottom of mining disasters. When men know the Creator better, they will investigate all things with the conviction that disease, early death, shipwreck, explosions, accidents, destitution, misery in any or every shape, is due to man's neglect of, or disobedience to, the laws of nature; and that as man concentrates his energies to the ascertaining of, and his will to obedience to these laws, so will misery and disease and crime gradually disappear. With Mr. Plimsoll, "I say that, in spite of the researches and discoveries of Volta and of Œrsted, of Faraday and of Wheatstone, of Watt and of Davey, of Stephenson, of Scheele and of Daguerre, it is a reproach and a disgrace to the science of the nineteenth century that this state of things now exists; and that if we had bestowed one-half the pains upon the subject of colliery explosions that have been taken in investigating the nature, the properties, and the relations of coal tar, we should have known all about it long ago." An explosion happens; there is a lot of sympathy, subscriptions for the widows and

fatherless; the clergy preach, and the only logical inference from sermon and prayer is, that "it is God's will that this state of things should exist," and men go on contented to let the matter rest. But this could not be if the clergymen told men, with the authority of the Church, "that it is not God's wish;" that such horrible catastrophes are "against His wish;" that it is blasphemy to make the Creator responsible for all the misery created by these catastrophes, making happy women widows, and making so many children fatherless. Tell men plainly, and in unmistakable language, that such horrors occur periodically wholly and solely "because men will not learn, and will not obey, the physical laws of the universe;" tell, in the same plain manner, our men of science that it is their duty to give themselves no rest until, by continuous painstaking and pertinacious inquiry, they have found out how to counteract the action of the gas or gases that explode, "from some cause or the other," with such horrible effect. We want with science, as in our schools, more of the time given to the needful, the practical, the useful—the present, not the past—the living languages, not the dead. Science can tell us the component parts of the Sun, of Jupiter, nay, even of the sunbeam itself; can tell us what is the force and velocity of a cannon ball as it leaves the muzzle of the gun; in fact, can tell us anything it sets its mind to get at the bottom of; therefore it is not asking too much of it to tell us how much gas has been fired in any given explosion, and ascertain all about this destructive gas, its properties, and its relations—a gas that, with its wonderful powers of explosion, might be of service to man, once he was master of it, instead of being its victim. This is certain—the gas is there, and becomes dangerous by its displacement in the process of mining; our present ventilation is not sufficient to counteract the explosive powers of the gas; what is wanted is a process that will either prevent sufficient accumulation of the gas to make it dangerous, or to remove the gas by tapping it at the highest parts of the workings, and drawing it off. We have the effect. If we know anything for certain, it is that there can be no effect without a cause. It is our duty, at all hazards, at all costs, to remove the cause of these explosions. Mr. Plimsoll suggests that "some scientific body (why not the Government?) should offer a premium of, say, £20,000 for the discovery of an entirely effectual prevention of these explosions." The nation would be amply repaid; *economically*, it has never spent £20,000 or £50,000 to better purpose, not to speak of the enormous pleasure of doing so much good. Properly explained, this subject would attract to its consideration the highest scientific knowledge and the most powerful intellects we have; and I am sure there would be no difficulty in obtaining the requisite

funds from a people always so willing to give freely to the relief of suffering caused by these explosions, and therefore more likely to give more freely to a fund, the successful application of which would prevent so much suffering, so many violent deaths. An appeal to sentiment may be thought out of place in a book on "Economy," but I am prepared to advocate the outlay asked for on economic grounds also; my opinion is, the gas that is so destructive might be made of great service. This may be open to doubt; but there can be no doubt that mining would be followed more, would yield more to the annual produce, would yield that larger quantity at a lesser cost for the labour employed, if we could insure that the miner might pursue his beneficent labour deep down in the dark bowels of the earth in safety as complete as that of the husbandman employed in the sunlit fields high over his head. The time will come when men, understanding better the divine government of the universe, will see that illness, accident, misery, all the ills that flesh is said to be heir to, are caused by man's ignorance and selfishness. Man is an organized being; that is, one who derives his existence from a previously existing organized being which subsists on food, grows, attains to maturity, decays, and dies. If the germ from which it springs be complete in all its parts, sound in its whole constitution, and if from the moment it is ushered into life, and as long as it continues to live, it is supplied with food, light, air, and every other physical aliment necessary for its support, and duly exercises its functions, that being has it in its own power to enjoy a state of uninterrupted health from infancy to old age. The Creator, far from wishing to inflict disease upon us, has framed His laws so as to warn mankind when they begin to go astray. "Ill-health" is a frightful waste; men are prodigal of their lives, reckless of their constitutions; forget altogether *their cost* to the community during infancy, and whilst being trained to "help themselves." How many a promising career is cut off by a neglected cold! Yet the acute symptoms tell us plainly there is something wrong that must be attended to; and if you return to obedience, and avoid the cause, the effect vanishes; but if you refuse to listen to the warning, the acute disease becomes chronic, the cold has developed into consumption. Get to the origin of bad health, and it will be found to arise from the infringement of one or more of the laws or conditions decreed by the Creator to be essential to the well-being and activity of every bodily organ, and the knowledge and observance of which are, to a great extent, within our own power. If the human frame is constructed by the Creator on principles calculated to carry on life for three-score years and ten, it does seem a reckless waste of life that so large a proportion should die before attaining the allotted term. The

cure of disease is yet in its infancy. The effrontery of the quack who affirms that his *one* remedy will cure *every* disease, shows the public to be equally ignorant, or their credulity would cease to afford to his presumption the rich field in which it now revels. There is no surer way of making a large fortune than to invent a pill, ointment, salts, &c., composed of some simple, harmless things, and make the name of it "familiar in their mouths as household worlds" by judicious and liberal advertising. The result is certain, and the materials being nearly valueless, a large fortune is made, the principal expense being cost of advertisements. But, to show the absurdity of the "infallibility of a remedy," say, to cure a bowel complaint, which may arise from over-eating as well as from a check to perspiration, although the thing to be cured is the same, the means of cure ought obviously to be different. In the one case, an emetic or laxative, to carry off the offending cause, is needed; in the other, a diaphoretic, to open the skin, will be the most efficacious remedy. To cure any disease, the doctor or physician must know the cause thereof. One of our counties used to suffer frightfully from ague—so much so, that it was regarded in many parts of the county as a necessary evil—one of those inscrutable dispensations of Providence that mankind must bear with resignation. But thoughtful men soon found that Providence had nothing to do with the matter. By draining the land, removing the dung-hills, building better houses in better situations, giving the people better food and warmer clothing, we find that generations now succeed each other, living on the very same soil, without a single case of ague ever occurring, where, a century ago, every man, woman, and child seemed predestined by a strange fatality to suffer from it at some period or other of their lives. Every disease that afflicts humanity should be grappled with in the same earnest manner. Some men and women suffer frightfully from cancer, fistula, stone, fevers, sore throats, bronchitis, &c. It is disgraceful to us that "small-pox" should have been allowed to get a hold again here. We trust too much to vaccination, forgetting that, even before Jenner's discovery, the improvement of medical science, consequent on increased knowledge of the structure and functions of the human body, had greatly mitigated the fatality of this scourge. Formerly, the patients were shut up, loaded with bed-clothes, in heated rooms, from which every particle of fresh air was excluded, and stimulants were administered, as if on purpose to hasten the fate of the sick. But sounder views of the wants of the animal economy at last prevailed, and by the admission of fresh air, the removal of everything heating or stimulating, the administration of cooling drinks and other appropriate remedies, thousands of lives

were saved that would have been lost under the mistaken guidance of the older physicians. Medical science and man's history give abundant proof of what man can do for the preservation of his health and the improvement of his condition, mentally, morally, and physically, when his conduct is directed by knowledge and sound principles. It has been said that "great men live by their brains, and die by their brains," and too often an early grave is the end of those whose genius procures for them that immortality so many desire. Great men forget the law of nature, that if mental activity be too excessive, the body must suffer for it; and instead of strengthening the body by every possible means, they make matters worse by neglecting the body altogether. Combe says: "When thought shall need no brain, and nearly 400 organs of motion shall cease to constitute the principal portion of the human body, then may the student dispense with muscular exertion; but till then let him beware what he does, and, looking to the laws which the Creator has established for his guidance, seek his happiness, not in denying their existence, but in yielding them cheerful and willing obedience."

> "To live a life free from gout, pain, or phthisic,
> Athletic employment is found the best physic;
> The nerves are by exercise hardened and strengthened,
> And vigour attends it, by which life is lengthened."
>
> CAMPBELL.

The number that die yearly because they have not been taught the necessity of combining bodily with mental labour, is very great; a pity it is so, as they are mostly studious men who, if they had lived, would have been a blessing to their fellows. Man studies the constitution of the lower animals, and adapts his conduct to that constitution; himself alone he remains ignorant of, because he considers himself a superior being, and not subject to the laws of organization. But this is the result of ignorance and pride, and not correctly drawn from the premises on which it is ostensibly founded. It is useless to mourn over the mysterious decrees of Providence. Man must see that it is a crime to cultivate the mind at the expense of the body. It is a great error of judgment which leads parents to the too early and excessive cultivation of the minds of their children, more especially those who are precocious and delicate. If two children be equally ill,—one patient, a child of superior and highly cultivated mental powers; the other, one whose mind has not been excited by study,—there is much less hope of the recovery of the former than of the latter, as the precocity of the former results from an unnatural development of *one*

organ of the body at the expense of the general constitution; the capital of strength has been weakened, and fails in the time of need. When coaches break down, ships sink, men fall from ladders, &c., the cause may be traced to decay in the vehicle, the vessel, or the ladder, or incompetence in the management for the time being. A little more thought and a little less selfishness would prevent many calamities, the cost of which proves that, after all, "economy" is true wisdom, practically applied. I am aware of the objection that punishments seem disproportionate to the offence; but do we examine carefully enough to get at the real causes of calamities? The French Revolution was a frightful ordeal for France to undergo—the savagery of the masses almost incredible, unpardonable; but think over what they had suffered for ages from the licentiousness, arrogance, and tyranny of the nobility, till they were literally mad, so that when once the power fell into their hands, they acted like wild beasts who had broken loose. The loss by collisions on rail or sea, the breaking of an arm by a fall, seem also disproportionally severe; and it is, therefore, assumed that the Creator has some other and more important object in view than, as we argue, compelling men to pay more attention to His laws. Religious people imagine that these events are intended to influence the minds of the sufferers and others, and so draw their attention to concerns of higher import. In reply, I would remark that the human body is liable to destruction by severe injuries, and that it is wise economy so to have arranged the laws of man's being, that he be reminded of the great care necessary in preserving it; that the result of an accident will depend a great deal upon the state or condition of the body at the time of the accident; if in good condition, sound and healthy, the punishment is slight; if out of condition, from abuse or excess, the suffering and danger will be greater. The accident, therefore, bears with it the punishment for other sins as well as its own. We must in all these matters remember "indirect" as well as "direct" causes; and, viewed broadly, it will be found that the degree of suffering bears a just proportion to the danger connected with the transgression. A slight surfeit is attended only with a headache or general uneasiness, because it does not endanger life, and will not affect the general health if the warning be regarded. The human body is so framed that it may fall nine times and suffer little or no damage, but the tenth time a leg or arm may be broken, and the pain be intensely severe, because the bones of these limbs stand high in the scale of utility to man. By the dread of this greater danger if we fall, our minds are kept active, so as to insure the general safety; whilst, at the same time, the uncertainty prevents our being overwhelmed with terror if the more serious consequences always followed

a fall. We are well aware that if the seed that is sown be weak or damaged, the plants that spring from it will be feeble, and liable to speedier decay. It is also an organic law that the germ of the infant being must be complete in all its parts, and perfectly sound in its condition, as an indispensable requisite for its vigorous development and full enjoyment of existence. But although we study the breeding of animals, and see that our seeds are right for reproduction, who in this world acts as if humanity were subject to the same laws of development? On the contrary, such laws are treated with contempt, but not with impunity. We have sickly, feeble, imperfect beings in abundance, because the feeble, the sickly, the exhausted with age, and the incompletely developed though extreme youth marry, and, without the least compunction regarding the organization which they shall transmit to their offspring, send into the world miserable beings, the very rudiments of whose existence are tainted with disease. The punishment of this recklessness is debility and pain transmitted to the children, and anxiety and sorrow to the parents—

> "A dire effect, by one of nature's laws,
> Unchangeably connected with its cause."

By not understanding the economic laws, men labour in vain—produce too much or too little; prices go too high, then too low; excessive exertion is followed by idleness; thoughtless labour is seen in the form of untenanted houses, and piles of goods not wanted in warehouses; causing ruin, misery, in the various forms that follow, as a punishment for misapplied industry. The Creator's laws will assert themselves, spite of men setting themselves systematicly to infringe them. The moral laws intimate that the human race are not to pursue acquisitiveness excessively, but to labour for moderate results, to exercise their moral and intellectual faculties, and keep mind and body healthy. Men do not study these laws. If they are aware of their existence, they disregard them; and we see their punishment in the exhaustion of nervous and muscular energy, the absence in the mass of a desire to gratify their moral and intellectual faculties; and in lieu thereof, we have the craving for artificial excitement by the upper and middle classes, and the excessive craving for the stimulus of ardent spirits by the lower classes. Everything has been done to develop the animal propensities; let us reverse the operation, and strengthen by systematic use the moral and intellectual faculties of mankind; and, as a nation, recognize and obey the moral laws; ruling at home and in our colonies as a wise father would—free from all selfishness; helping the individual and benefiting the nation by removing all monopolies, setting an example to the world by adhering rigidly to

"free commerce;" our ports open to the world; our manufacturing and trading operations carried on with the desire to make our own way by best studying how to produce and distribute at the minimum of cost; the right to vote dependent not on payment of taxes, but "incorruptibility;" bribery not being laughed at or winked at, but shuddered at, and the bribers regarded in the true light of being "traitors to the State," men who would sell their country for place, social distinction, paltry lucre, or drink; our churches and chapels filled with men who feel within themselves the power to exhort and elevate others, not men who simply sell their souls, as a woman does her body, for position or wealth; man striving to benefit man, *every one* willing to do a "fair day's work," and to contribute his utmost to the general fund; a thoughtful, God-fearing, God's law-obeying people; the nation filled with happy homes, instead of the spectacle it now exhibits of men urged on by ambition or avarice, and the mass living a life of toil, a life of monotonous drudgery, seeking compensation and enjoyment in gluttony, drunkenness, or sensual debauchery; tradesmen and manufacturers anxiously labouring for wealth—now gay in the fond hope that all their expectations will be realized, then sunk in deep despair by the fear of ruin; landlords and tenants, masters and men, jealous of, and angry with, each other; Christians, yet not Christ-like, but the very opposite; brethren, yet the spirit of caste strong within all, from the kitchen to the palace; even the housemaid considering herself degraded if the new cook has been only a general servant; employés of all kinds above doing this or that, as derogatory; all invested with "a little brief authority" delighted at having the opportunity of "ordering" about others; making life a pitiable spectacle; the nation cramped by an overwhelming debt—the punishment of foolish or worse wars; the Government crippled with the prevalence of ignorance and selfishness on every side. Yet, spite of all, I ask men to do the right, and, with a bold step, to follow the economic laws; to obey unhesitatingly the dictates of reason and justice; to battle zealously with the countless prejudices, and to attack unswervingly the "vested interests" which everywhere obstruct the path of improvement and progress; man using his reason, and doing for society what he has done for locomotion—sought, discovered, and practically established the conditions in which the springs of action may act according to the eternal laws of God, and be productive of good instead of evil. A permanent revelation is granted as a light to guide us in this and similar researches; good being the heavenly sign that humanity is fulfilling its destinies, evil the invariable sign of its deviation therefrom. And who will deny that evil has hitherto had the ascendency?

NATIONAL ECONOMY.

"In the family, as in the State, the best source of wealth is economy." —CICERO.

"The only true secret of assisting the poor is to make them agents in bettering their own condition."—ARCHBISHOP SUMNER.

"Go to the ant, thou sluggard; consider her ways, and be wise: which having no guide, overseer, or ruler, provideth her meat in the summer, and gathereth her food in the harvest."—*Proverbs* vi. 6.

ADAM SMITH informs us, in the "Wealth of Nations," that "the towns were chiefly inhabited by tradesmen and mechanics, who seem to have been of servile, or very nearly servile, condition. The privileges we find granted by ancient charters to the inhabitants of some of the principal towns in Europe, sufficiently show what they were before those grants. The people to whom it is granted, as a privilege, that they might give away their own daughters in marriage without the consent of their lord; that upon their death, their own children, and not their lord, should succeed to their goods; and that they might dispose of their own effects by will,—must, before those grants were made, have been either altogether, or very nearly, in the same state of villeinage with the occupier of land in the country." It is recorded of "the good old times" some people are so partial to, that it was not till the reign of Henry IV. (1399—1413) that villeins, farmers, and mechanics were permitted by law to put their children to school; and long after that, they dared not educate a son for the Church without a licence from the lord. The last serfs in England were emancipated in the reign of Queen Elizabeth, but the last serfs in Scotland were not emancipated until the reign of George III., at the end of the last century. Before then, the colliers and salters belonged to the soil; they were bought and sold with it. They had no power to determine what their wages should be. Like the slaves in the Southern States of America, they merely accepted such sustenance as was sufficient to maintain their muscles and sinews in working order. Human cattle, poor suffering humanity! the wonder is not that they occasionally rebelled, but that they remained in such a wretched state so long; death were infinitely preferable. When we

think of the progress made during the last century, the frightful waste of time, through the selfishness and tyranny of the few, in keeping man as a beast of burden for the many preceding centuries, is truly appalling. But it is only by a careful reading of history that we can appreciate what "liberty" means—the struggles of our ancestors in the past. We read with horror of the atrocities of the French Revolution; but read "La Sorciére," by Michelet, and you will only wonder that the people had so long borne the indignities, the sensual licence, and indulgences that were claimed by the "lords of the soil." In fact, in every village in the kingdom of France, the people were treated like cattle—slaves at the mercy of their lord and master.

We owe much to traders. At first they were a very poor, mean set of people, who used to travel about with their goods from place to place, and from fair to fair, like the hawkers, pedlars, tallymen, of our time. It will help you to understand the privileges of living in 1883 to remember that in all the different countries in Europe taxes used to be levied upon the persons and goods of travellers when they passed through certain manors, when they went over certain bridges, when they carried about their goods from place to place to a fair, when they erected a booth or stall to sell therein. These different taxes were known in England by the names of passage, pontage, lastage, and stallage. The nobility then had great power, as sometimes the king, or the great lord, would grant to particular traders, to such particularly as lived on their own demesnes, a general exemption from such taxes; but they in return usually paid to their protector a sort of annual poll-tax. In Doomsday Book mention is frequently made of the tax which particular burghers paid either to the king or a great lord for this "protection," and, singular enough, such traders were called "free traders." Bit by bit, we find the "trader" making the way for his own, and then for the freedom of others from tyranny. Money was wanted in bulk, and before it could be got in in the regular way; the principal burghers farmed the revenues, became responsible for the whole of the rents of manors; and they were allowed to collect in their own way, and by their own officers. At first it was for a term of years only, but in process of time it became the practice to grant it in fee—that is, for ever—reserving a rent certain never afterwards to be augmented. The payment having thus become perpetual, the exemptions, in return, for which it was made, naturally became perpetual also, and, more important still, ceased to be personal, and not as belonging to an individual, but to all burghers of the particular burgh, which was called a "free burgh," as the free burghers had been called "free traders." You will see the value of this step when you consider that

this freedom meant the power to "give away their own daughters in marriage," that your own children could succeed to you, and that you had the power to dispose of your own effects by will. Men for the first time began to feel what "freedom" meant, as these bonds of slavery were shaken off by the efforts of "traders," first in one burgh, then in another. By-and-bye they were erected into a commonalty, or corporation, with the privilege of having magistrates and a town council of their own, of making bye-laws for their own government, of building walls for their own defence, and of reducing all their inhabitants under a sort of military discipline, to guard and defend the walls against all attacks and surprises by night as well as by day. The lords despised the burghers, whom they considered not only of a different order, but as a parcel of emancipated slaves, and they plundered them upon every available occasion without mercy. The burghers naturally hated and feared the lords. The king hated them also; but, as he had no reason to hate and fear the burghers, as they were the enemies of his enemies, it seemed to his interest to erect these "independent republics," as they virtually were, in the heart of his dominions, and he gave all the means of security and independency of the barons, which it was in his power to bestow, hoping to receive from them support in case of need. The princes, who lived upon the worst terms with the barons, seem accordingly to have been the most liberal in grants to their burghs. King John, for example, appears to have been a most munificent benefactor to his towns.

The farming of the rents and taxes in fee took away the right to tax the inhabitants of free burghs without their own consent. They were, therefore, called upon to send deputations to the General Assembly of the States of the kingdom, where they might join with the clergy and the barons in granting, upon urgent occasions, some extraordinary aid to the king. Hence the origin of the representation of burghs in the States-Generals of all the great monarchies in Europe —the cause that produced in England that great middle class which in time undermined the influence of the Lords, and then the Crown, making of England virtually a republic, without its disadvantages. Order and good government, and along with them the liberty and security of individuals, were, in this manner, established in cities, at a time when the occupiers of land in the country were exposed to every sort of violence—no incentive to acquire property that would only tempt their oppressors; so we find that the aim at something more than necessaries for subsistence was established in cities long before it was commonly practised by the occupiers of land. The poor cultivator was oppressed with the servitude of villeinage; if he saved anything, he was obliged to conceal it from his master, to whom it legally

belonged; and so the more prudent secreted their savings, and took the first opportunity of running away to a town. The law was at that time so indulgent to the inhabitants of towns, and so desirous of diminishing the authority of the lords over those in the country, that if any one could conceal himself in a town from the pursuit of his lord for a year, he was free for ever. We ought to value "freedom;" it has been dearly purchased. The people were "slaves," and treated as such. The inhabitants of the towns gradually emancipated themselves, or bought their freedom; and the industrious and thrifty inhabitants of the country had to take refuge in the towns, as sanctuaries against the tyranny of the lords, until the year had expired that gave them the freedom that getting to British soil secured to slaves of a more recent period.

It is curious to watch the effect of the operations of foreign commerce and manufactures. Before the commercial era, the great lords spent their rents in maintaining their tenants and retainers; their hospitality was great; they were a kind of slave-owners to the people about, who were dependent upon them for the means of subsistence. But no sooner did we manufacture or our merchants import articles that the nobility could get in exchange for the surplus produce of their lands—briefly, could get in exchange what they could consume themselves—than they ceased having the disposition to share their abundance with others. For a pair of diamond buckles, or something equally as frivolous, they gave up the power of maintaining retainers, and the authority which it gave to them; and we find that for the gratification of the most childish, the meanest, and the most sordid of all vanities, they gradually bartered away their power and authority. Their private expenses increasing, their retainers gradually diminished. They wanted higher rents, and to get them, the expensive vanity of the landlords compelled them to grant long leases. So, by degrees, "independent tenants" filled the place of the retainers, and the great proprietors were no longer capable of interrupting the regular execution of justice, or of disturbing the peace of the country. Having sold their birthright for a lot of baubles, they became as insignificant as any substantial burgher. So, by the action of traders, or, as it was not done by them intentionally, by the manner in which the Creator had made man, a gradual, steady progress went on, and a regular government was established in the country as well as in the city, and a revolution of the greatest importance was brought about by the action of two different orders of people, who had not the least intention of serving the public.

England has a great advantage on account of the great extent of her sea-coast in proportion to that of the whole country, and of the

many navigable rivers which run through it, her railways, and the use of them; for it is singular that although Germany has increased, from 1870 to 1880, the miles open of her railways from 11,457 to 21,275, and Great Britain (the second on the list) from 15,537 in 1870 to 17,696 miles open in 1880, the passenger traffic has only increased in Germany from 136,000,000 in 1870 to 196,000,000 in 1879, whereas in Great Britain the passenger traffic has increased from 348,000,000 in 1870 to 629,000,000 in 1879; the total of passengers and tons of goods carried having increased from 518,000,000 to 844,000,000—an increase of 62 per cent. England's commerce increased £169,000,000 from 1860 to 1870, and £145,000,000 from 1870 to 1880; but her "banking and shipping exhibit an enormous development; as if the finances of mankind were concentrating themselves in London, and the carrying trade of the seas was passing into our hands. This is the more remarkable, as the balance of trade against Great Britain has increased in a degree that some economists consider alarming, viz.:—

	Millions sterling.	
	1870.	1880.
Imports	305	414
Exports	242	278
Surplus Imports	63	136

"Thus the balance of trade against us was 25 per cent. in 1870, and 49 per cent. in 1880. This is, however, rather an indication of prosperity than the reverse, since we see that until 1840 our exports were more than our imports, and that Russia and Spain have the balance in their favour, and are steeped in poverty" (MULHALL). England is fitted by nature for "commerce" and "manufactures." To these she owes her freedom at home, her position abroad. To maintain her prestige, it is now incumbent upon us to introduce all such improvements as the accumulated experience of the past has placed at our disposal. We must remember that the "capital" essential to the successful development of manufactures and commerce, and that is acquired by their aid, is precarious and uncertain, as a merchant or manufacturer is not necessarily the citizen of any particular country. The capitalist, manufacturer, or merchant, unless he sees a certainty of profit, and of security to his life and property, will remove his capital elsewhere, and, together with it, all the industry which it supports. The only *fixed* capital is that spent in railways, houses, improvement of land. No vestige now remains of the great wealth said to have been possessed by the greater part of the Hanse towns, except in the obscure histories of the thirteenth and fourteenth

centuries. The "national economist" will remember that war and government easily dry up the sources of that wealth which arises from commerce only. It is well the people should understand thoroughly how quickly commerce will fly away if by any false action of the Government, yielding to a popular demand for "fair trade," we suicidally go against the laws of political economy, as it is only by the belief in this science, and the faithful observance of its laws, that we shall be able to provide subsistence for the people. The "wealth of the nation" depends upon, and will follow, our observance of the economic laws, and the immense wealth we possess will gradually melt away if we act contrary to these laws, by which alone can the capital be created and steadily augmented that is essential to the regular employment of our people.

In the "Balance-sheet for Ten Years," by M. G. Mulhall, F.S.S., we have a general view of the progress made during the last ten years. Here it is shown, among other things, that over 100,000 additional miles of railroad have been constructed in that time, and at a cost of £1,759,000,000 sterling. Telegraphs show a much greater growth than railways during the decade, having increased by 280,000 miles. It is pleasant to find that in this country the cost of armaments in 1880 amounted to a tax of 15s. per head of the population, against 16s. 8d. per head in 1869; whilst in Europe generally, on the contrary, the cost has increased, per head, from 7s. 10d. to 9s. 2d. It is consoling to find we are not likely to starve, as, owing to the prodigious quantity of meat and grain produced in the United States beyond what our cousins require for their own use, the total annual supply of both largely exceed the annual consumption; and Mr. Mulhall calculates that the present production of meat would feed 42,000,000 of people more than are now on the earth. In fact, we can produce anything, everything, far in excess of what is required. What is wanted is a more correct knowledge of economic science by the people, so as to insure the best system of production and distribution. We want a government superior to "false remedies"—rulers that have faith in the laws of God—statesmen that will rise above mere party views, and tell the people that it is "capital" which provides employment—that capital is useless unless they have the energy and wisdom necessary for its beneficial application; tell them plainly that the people must work out their own salvation—that no government can do for a people what they ought to do for themselves—that they must be prepared to work with spirit and energy, and that can only be by the exercise of those great moral qualities of self-restraint, energy, and self-dependence which work out the salvation of an industrious people. You may be actuated by the best of motives, but legislation which is not

sound or right in principle must inevitably, sooner or later, turn out to be a failure.

What we have to fear are the mistaken views that are put before our "working classes,"—those erroneous views that denounce the "tyranny of capital" as if it were an embodiment of the Evil Spirit in a new and dangerous shape, and which Lamennais inveighed against as the modern incarnation of the slave-driver, without the slave-driver's interest in the life of his property. To counteract this baneful teaching, we must teach man to respect himself; that, above all, he must retain his individuality, his freedom to act as a man and take advantage of opportunities for advancing his position; not crushed down to the level of a dead uniformity, or a teaching which implies that "men are the sport of circumstances," whereas "circumstances are the sport of men," if man has the aptitude of a rightly trained intelligence to change with the circumstances, be equal to the times he lives in, not wasting his time in taking an hour to do an act by an old method that can be done in half the time by the modern method. It is the great secret of success in life, "true economy," the maximum of result from the minimum of outlay—whether physically, mentally, or financially. And this is to be achieved, not by any scheme that makes the State the landlord or sole capitalist for the benefit of all, the State a common parent of all within its gates, but by maintaining intact the "family life," giving the individual a higher ideal of duty, a view of what the future of mankind would be, when each is ready to use his faculties to the fullest extent for the benefit of his fellows, because enlightened selfishness tells him that by so doing he is doing the best for himself. We want mankind to see that it is for their interest for all to work together and in concert —to see the waste and prodigality of a system where the general advantage is endangered by the perpetual occurrence of selfish conflicts. But we want this result achieved by a further extension of the rights of the individual, and not by the privilege of individual inheritance and rights being done away with. "General advantage" should be the principle that guides us, the aim we all have in view; but to attain the full development of human energies, we must put aside all theories that advocate "equality"—that dangerous doctrine, fatal to all progress.

The real salvation of society would be an increase of the class of small capitalists. No man with any property will join in the cry for a division of goods. By encouraging thrift and industry, we take the surest means of checking the schemes of agitators. Everything should be done that can be done to check the action of those who doubt the right of individual ownership; all schemes for the confiscation of

capital should be considered and punished by the law as conspiracies to defraud, to rob. These men are the highwaymen of the nineteenth century, without the highwayman's courage, for they did the work themselves, while these incite others to rob, and live by the spoil. Fortunately for England, and most of the Anglo-Saxon communities, they have had for a long time what the other peoples of Europe are still striving for—right of public meeting, freedom of the press, freedom of speech, the fullest possible personal liberty. These have been long secured, and men of our race have so far been able to work out political problems without that dangerous excitement which has attended the endeavours to solve them elsewhere. But we must not shut our eyes to the fact that steady progress does not satisfy the people as it used; and although the social arrangements of England may be altered so as to satisfy the legitimate claims of the many without trenching upon the rights or the privileges of the few, still great changes are quietly, almost imperceptibly, going on in our midst. Communism, in the sense of State and Municipal management, is making head continuously, even in the sense of genuine Communism —that the well-to-do shall provide for the poor certain advantages, whether they like to do so or not. There is a strong feeling against that large class, the middle class, that have hitherto been relied upon as the bulwark of order; that trading class that has lived and prospered not by producing value, but by trading on the differences of value and charges for distribution. This class of individual operators, whose remuneration has been left to competition, is being quietly put aside in favour of organization or co-operation for the common benefit. The Postal and Telegraph arrangements are entirely under State control, and sooner or later railways, water, gas, will fall under the same control. So you perceive that for the principle of limited monopoly and regulated competition we are steadily substituting State and Municipal organization and control.

The Poor Law—which gives the poor man who has been unlucky, or lazy, or thriftless, the right to live upon the earnings or savings of others—is distinctly Communistic; but the "free school system" is a still further step in the same direction, as by it not only do ratepayers provide a good education for those who could not afford it themselves, but they give their poorer neighbours the advantage that their children, educated at the expense of others, shall thereby be able to enter into competition, in the battle of life, with the children of those who have had to find means to pay for their rivals' schooling. The Artisans' Dwellings Act was a similar step in the same direction; and the proposal, not long since made, that children should be fed in the Board schools at the expense of the ratepayers, was Communism pure and

simple. So, without thinking whither we are going, whilst shaking our head at the march of Socialism abroad, and arguing about Communism without understanding it, and maintaining that the new idea of distribution will die out, and competition, not State management, must be the rule, we ourselves are slowly, but surely, advancing, without (except by a few) observing it, towards the system which, when proposed to us in all its bluntness, we denounce as a chimera under the present circumstances of mankind.

There can be no doubt that we are gradually drifting into "Communism" without its being observed. The Land Act of 1881 is an attempt to solve the Irish difficulty, not, as heretofore, by the principles of political economy,—that an article will realize only what it is worth, and that we may safely and wisely leave the same to the Creator's law of supply and demand,—but by the Communistic doctrine of the right of the people to live, and if they cannot afford to live and pay a certain rent, well then, the landlord must be content with so much less. The landlord may not want to sell, but the State steps in and offers to lend the tenant the money to buy; or, if he prefers leaving Ireland, they will advance the money for him to emigrate, and lend, as has been done for some time, money for improvements to the tenant, and spend money on national employment, &c. It is best to know where we are, to see the rocks ahead—those grave features in our home life that might, under certain conditions, lead to a struggle between classes on the rights of property—the serious political dangers which might arise from the wide gulf between the upper and the lower classes, the imperative necessity of an intelligent middle class, the danger to our Constitution "when the vote of the masses becomes the ultimate court of appeal." There is no fear if we do our duty, if we see the gravity of the position, and begin *at once* to guard against it, by altering our entire system of teaching, and at last begin to teach the people to "think for themselves," and supply the latest and best data upon every subject for them to reason upon, paying special attention to the "wealth of nations" and the laws that make nations wealthy, healthy, and happy. Teach plainly the "upper ten," also, that property has "duties" as well as "rights;" employers and traders, that "honesty is the only policy," and the rule for a good life is simple enough: "Put yourself in his place;" do to others as you would be done by; preachers and teachers using their united influence to convince the aristocratic and the wealthy, the intellectual and the refined, how essential it is that they should try and recover their waning influence by a closer connection with, and knowledge of, the people—a people that, with their many failings, have some noble qualities worthy of the race of freemen they have descended

from. The most marked characteristic has been "individuality of character," an "independence of bearing" and spirit, a noble bearing under the greatest pressure. This spirit was most marked during the Lancashire cotton famine. No other country in the world could, in all probability, have supported such a strain without grave internal trouble. As Englishmen, the men recognized the inevitable, and made up their minds to bear it, at the same time that the well-to-do endeavoured to alleviate the distress. Spite of what may be said to the contrary by those who argue that if it were not from stern necessity, hunger urging them on, our people would not work, I maintain that the mass of the people are "workers," too proud to live on the labour of others; and this independent spirit will explain why in England there is not that envy of wealth we find elsewhere.

"The hope for the future lies in the fact that the rich are slowly beginning to perceive here both their dangers and their duties, and to understand that the privilege of possession now accorded to them by the consent of the majority can only be retained by entering more fully into the daily life of the people, and remedying those mischiefs which are to be noted on every side. Those who best know the dangerous quarters of our great cities know well that there is a vast unruly mass of blackguardism which would take advantage of any break above to sweep away all barriers. Many theories are even now systematically discussed by the educated artisans which would savour of Communism to the upper class. But, fortunately, they are discussed; and therein is, to a great extent, safety. The large blocks of City property concentrated in the hands of individuals; the entire exclusion of the poor man from the possession of land; the manner in which, in municipal arrangements, the poorer quarters are sacrificed to the rich; the indifference too often shown to the interests of the wage-earning class, when whole neighbourhoods are swept out of their place, to benefit the community, without proper provision for the housing of the inhabitants elsewhere; the impossibility of obtaining real consideration for the needs of the masses in the matter of recreation, fresh air, and pure water, especially where vested interests are involved; the general inclination to consider the ratepayer first and the benefit of the population afterwards,—these and other like points are now being talked over by men who have experienced the evils of the present system, and are making ready by fair means to put an end to them. Granting that the English people are not democratic in the continental sense, admitting that they do respect their 'natural leaders,' and are ready to follow them politically and socially in orderly fashion, this presupposes that the upper classes are ready to lead, not for the selfish advantage of their own insignificant section, but for the benefit of that

class which, as has been well said, is really the nation. The opportunity, and it is a glorious one, is now. We have shown the world how to combine social progress with the widest and soundest political freedom; we, as a nation, have laid the foundation of that great trinity of liberty—freedom of speech, freedom of trade, and freedom of religion—which will remain the title of England to honour and reverence when all other smaller deeds are forgotten in the mists of antiquity. It remains for us to lead the way with safety in that great social reorganization which is the work of the immediate future, to secure for all the same happiness and enjoyment of life which now belong to few" (H. M. HYNDMAN).

The suspension of the ordinary liberties of the subject implies that the laws under which we live are not sufficient, even though patiently and firmly applied, to preserve the peace. It is the remark of Blackstone that whatever disorders have arisen in England, the common law of the land has sooner or later worn them out. The ordinary law of the land loses its weight and dignity when we are taught to regard it not as the code by which we are to govern our actions, but as, by the confession of those who administer it, a *brutum fulmen* in times of crises and emergency. It is a feeble and self-condemnatory policy, which in a moment of pressure betrays its own alarm and weakness by an attack upon its own institutions. The wise statesman is he who uses his power and influence to equalize taxation, and relieve the people of burdens that have been imposed in ages less advanced in knowledge than his own. To pass laws that benefit A at the expense of B, that violate the sacredness of contracts, that interfere with the freedom of buyer and seller, is to undermine the basis of national progress towards wealth and prosperity. But there are burdens that press unequally, unjustly, upon agriculturists, which it would be wise to take advantage of several successive bad harvests to remove. The Church-rate has been reduced to £14,057; it should be abolished at once; also our old friend "tithes," that relic of the past, under the new name of "tithe rent charge." Under the Jewish system, the tenth part of the yearly increase of their goods was due to the priests. In the earliest ages of the Christian Church, offerings were made by its members at the altar, at collections, and in other ways. For many centuries they were voluntary; some authorities say, until the time of Henry VIII., who passed an Act which provided that the tithes, which were the property of the Church, should be recoverable by law. Others contend that the first instance of a law for the offering of tithes was that of Offa, King of Mercia, towards the end of the eighth century; that he first gave the Church a civil right in tithes, and enabled her to recover them

as her legal due. The law of Offa was, at a later period, extended to the whole of England by King Ethelwulf. At first, though every man was obliged to pay tithes, the particular church or monastery to which they should be paid appears to have been left to his own option; but in the year 1200, Pope Innocent III. directed a decretal epistle to the Archbishop of Canterbury, in which he enjoined the payment of tithes to the parsons of the respective parishes. Tithes were a tenth part of the *gross produce* of the corn, grain, grass, cattle, &c., &c.; as nearly everything was tithable except labourers' wages. Manufacturers were liable to pay a tithe of the profits of their art or industry. Tithes were divided into *great* and *small*. The former consisted of corn, hay, wool, &c.; the latter were such as arose immediately from the produce of the ground, as grain of all sorts, fruits, and herbs; things nourished by the earth, as colts, calves, pigs, lambs, chickens, milk, cheese, and eggs; also a tenth part of the clear gains arising from the labour and industry of men engaged in trades or other occupations. The great tithes went to the rector of the parish, the small tithes to the vicar. Many argue that "tithes" are a thing of the past, that they were a claim on the tenant's produce; whilst the "tithe rent charge" is a landlord's liability, and charged upon the land, and that when a tenant pays he does so as agent for the landowner. But I maintain that agriculturists still pay "tithes" under a new name. The "Tithe Commutation Act" simply substituted a rent-charge, payable in money, but varying in amount according to the average price of corn for seven preceding years. The Comptroller of Corn Returns is required to publish in January the average price of an imperial bushel of British wheat, barley, and oats, computed from the weekly averages of the corn returns during seven preceding years. The rent-charge is of the value of such a number of bushels of wheat, barley, and oats as the sum would have purchased at the prices so ascertained and published, in case one-third of such rent-charge had been invested in the purchase of wheat, one-third in barley, and the remainder in oats. For example, suppose the value of the tithes of a parish to have been settled at £300, and that the average price of wheat had been 10s., of barley 5s., and of oats 2s. 6d.; the £300 would then represent a payment by the farmer of 200 bushels of wheat, 400 bushels of barley, and 800 bushels of oats; as, however much the average price of corn may fluctuate in future years, a sum equal in value to the same number of bushels of each description of corn, according to such average prices, will be payable to the tithe-owner, and not an unvarying sum of £300. The quantity of corn is fixed, but the money payment to the tithe-owner varies with the septennial average price of corn. The only way to abolish "tithes" is to com-

pensate the clergy, and do away with the "tithe rent charge;" as this, whether paid by landlord or tenant, in produce or in money, has to be earnt by the farmer by the use of his capital, skill, and industry, *in addition* to the rent that satisfies or pays the landlord for the use of his land. That it presses hard on agriculturists is shown in the following letter, sent by "An Old Farmer" to the *Times* (September 7th, 1881); he says: "My farm this year has:—

	Acres.	Tithes.				Acres.	Tithes.		
Wheat ..	100 ..	£45	12	1	Beans ..	115 ..	£53	9	0
Barley ..	41 ..	20	15	0	Peas ..	38 ..	16	19	9
Oats ..	11 ..	5	10	0	Clover ..	28 ..	14	12	10
					Grass Lea..	25½ ..	9	9	9
	152	£71	17	1	Fallow ..	71½ ..	32	3	3
From the other side		126	14	7			£126	14	7
		£198	11	8					

How is it possible for an English farmer to meet foreign competition with such a load upon his back? The "Extraordinary Tithe" Act of 1836 is worse: it amounts to as much as 30s. an acre upon hops, 13s. 4d. an acre upon market-gardens, and 10s. an acre upon land-growing fruit. The hop cultivator expends a large sum in bringing valueless land into cultivation; he succeeds; and at once, the parson of his parish steps in "for his 30s. per acre." This causes land to be left unimproved, which is bad for the farmer and for the nation. "Tithe rent charges" and "extraordinary tithes" are unjust and unwise, and should be at once abolished. "Agriculture is discouraged by every constitution of landed property which lets in those who have no concern in the improvement to a participation of the profits. Of all institutions which are in this way adverse to cultivation and improvement, none is so noxious as that of tithes. A claimant here enters into the produce who contributed no assistance whatever to the production. When years, perhaps, of care and toil have matured an improvement, when the husbandman sees new crops ripening to his skill and industry, the moment he is ready to put his sickle to the grain, he finds himself compelled to divide his harvest with a stranger" (PALEY).

Economically, is the policy of possessing colonies at all a wise one? Do they pay? Yes, directly and indirectly, if properly managed. They are useful as an outlet for those members of the State who cannot settle down at home; they are to the nation what children are to a parent, and require the same careful training until they have arrived at that stage of material, social, and political development which renders the exertion of direct parental authority by the mother

country inexpedient or impossible. But once the time has arrived for the colony to be in a position to do without the direct parental control, the mother country must willingly and friendlily relinquish the sovereign authority. A colony, when able to manage its own affairs, is no more likely to leave the official management of those affairs in the hands of another government than a son is likely, when of mature age and judgment, to submit to the leading-strings of his parent, however much he may respect him. The colony, like the son, when able to be its own master, will act for itself; and must be left to do so, for good or for evil. It may fail of success, or it may perish; but when the time for a state of pupilage or dependence has passed, it can never return. The colony, like the man, must stand or fall upon its merits. The parent may, and ought to, afford sympathy, and can aid in a variety of ways; and the colony must have been badly managed if it ceases to regard the mother country as a child does his parent. But they must be treated as equals; it is useless to attempt to reassert such parental authority as the child or the colony has outgrown. This should be the key to our colonial policy; the State, like a wise parent, training the colony to walk alone, and be self-dependent. But if it be cruel to send a child into the world before it can help or take care of itself, it is still more cruel to force, as we did, on the unwilling colonists of the Cape of Good Hope the system of what is called "responsible government," as an excuse, from a spirit of mean niggardliness, for withdrawing from them the protection it was our duty to afford. We ought to be quite sure that a colony is equal to the duties of "responsible government" before, as we did in South Africa, we abdicate our responsibility of protecting both the white inhabitants and the native tribes in that part of Her Majesty's dominions. I denounce such a policy to be economically false, as most deviations from our moral duties may be proved to be. In the present state of the world "armed neutrality" is the only safe policy. As a hater of war, it seems to me, until men are wiser, the only way to prevent war is to let the world know we are ready to fight for certain principles. And the basis of our policy should be, protection of life and property to our subjects at home, or in our colonies whilst under our authority, and help, if needed by any colony that has been under our rule; and only seceded therefrom by the natural laws, as a child leaves its parent and acts for itself. But it should not be forgotten that they are as "parent and child" to each other, and should advise, aid, and help each other in case of need. Upon this basis, our colonies would become truly a wall of strength to us; by acting towards them upon high moral grounds, we raise up all over the world "young and healthy branches" to prop up the mature and

aged, and, in time, perhaps declining tree. But so long as a colony needs the protection of the mother country, so long must the colonists be content for the Crown to have a control over its policy. By all means, let them have representative institutions; but if the mother country is to be held responsible for their acts, to support them against internal or external foes, to contribute towards their support, why, so long must the right of control remain; it always being distinctly understood that the mother country will retire directly the colonists are able and competent to undertake the liabilities of a "responsible government" themselves.

As regards our colonial policy, it should be a fundamental principle that we only remain at the head of affairs so long as the people cannot govern themselves; the colonists should have too much self-esteem to be a burden upon the mother country a day after they can keep themselves. We should encourage them in every way to be self-helpful, self-dependent, and view with the greatest suspicion and distrust those politicians who advise giving up our colonies, from a mere selfish desire to escape an expense which, by wise measures, might be reduced to a mere trifle as compared with our resources. Viewed broadly, it seems to me a nation's duty to found colonies, to establish all over the world her people, to help that people as a father helps his children, only until they can help themselves, then to wisely, but gradually, withdraw; and to have so acted, whilst the colony was under their control, that the mother country can rely upon all the assistance in return that the children can give, and would give if, from a sense of duty, the past could show that only after long years of patient toil, and gradually strengthening them with the advice of our greater experience, we had left them fit to be one of those "destined to be the greatest among races." I am sorry to disagree with the late Earl Russell, whose desire was for an ever closer union with the colonies, their direct representation in London, and their perfect consolidation with England into our British Empire. It is a grand idea, but impracticable. There is no reason why Great Britain, composed as it is of many races, should not also be "one state" made up of many; but "progress" is not compatible with one form of government. Varied social life and different stages of development require an almost infinite variety of laws and customs. England should always be the centre of that Anglo-Saxon influence which has thus far dominated all others; but as a child should outstrip and excel his parents, so in time, in the order of nature, our "elder colonies," the eldest born, will beat us in the struggle of life, and all, one after the other, will secede from us, and act for themselves. It seems to me wiser to act as though we accepted and prepared for the inevitable. We must have treated "our

own people" badly if they fail to do all they can with and for us, or if, in case of need, they would not help us, as we should help them, if liable at any time to be oppressed by other nations. Briefly, our policy as a nation towards our colonies should be precisely that of a wise father towards his children: see them safely through their growth to manhood, train them wisely and well, and with the intention of their acting for themselves at the very earliest opportunity; but still, for ever and aye, the feeling of affection and respect to be as it should be between a parent and his children, and the children to a parent, each taking the greatest interest in, and doing all they can for, the other's welfare.

I have great faith in the individuality of states, as in the individuality of a people; and there could be no safer guarantee or security for the independence of nationality than for the world to see England and her colonies so bound together in the bond of loving kinship, that the influence of England would be strengthened and upheld, and her power dreaded by those continental nations whose policy is the gradual absorption of the smaller by the larger states. It has always seemed to me that if it is the duty of the individual to interfere in a fight and protect the weak against the strong, so also must it be the duty of nations to interfere when a strong nation is bullying, or thrashing, or robbing a weaker nation. We need not be always interfering, but it would be a great check to wrong were it known that England and her sons scattered throughout the world would, as one, be the friend, in case of need, of oppressed nationalities. The time will come when it will be seen that, not in arrogant assertion of our own individuality, nor in effacement of individuality, but in its highest development, and its honest use in the service of other individualities —first, of those nearest by natural ties, and then, as occasions, with ever-widening circle, offer, of those more remotely connected,—that a nation fulfils its loftiest destiny.

We ought to look upon the people as partners in a great association for promoting the stability, the opulence, the peaceful glory of a state; and it is the duty of statesmen to tell the people to what a great extent their liberty or bondage, industry or indolence, prosperity or poverty, health or disease, happiness or misery, are caused by their obedience to, or divergence from, the laws of God—that whether we get weed or fruit depends upon ourselves—that there is a cause for every effect. The acorn must be set before the oak can grow. Whatever the reward or punishment may be in the next world, it should be taught as an "infallible truth," that in this world, as we sow, so do we reap. Man is not the helpless slave of fate or destiny; his life is a perpetual struggle between good and evil; he is happy as he

recognizes the duty of overcoming evil by good, as he trusts not to this or that belief, but to the perfection of his thoughts, words, and deeds; he has "freedom of will;" he can choose his own path in life; his best companions in the journey are "good thoughts, good words, good deeds."

The decay of empires is the theme of history. They decay because they are sustained, not by the moral forces which sustain national happiness, and the nature of which is to increase in strength, but by physical force, the nature of which is to decline, if not positively, yet (which comes to the same thing) relatively to the forces around it. We moralize over the ruined empires of Spain, and see clearly enough that the vast and scattered dependencies which were her pride, and which she imagined to be the sources of her strength, were really draining away her life-blood; it would be wise of us to recollect that in England the strength of England lies, and to see that the accession of force derived by England from her dependencies bears no proportion to the force expended by her in acquiring and defending them.

There are many who think England has had her day; there is nothing to justify the thought. If Englishmen will endeavour manfully to meet their difficulties—if we act like men, thoughtful men, and get at the "causes" of our decline—if we earnestly resolve not to make light of, but to conquer our difficulties, by removing the cause of them,—I see no reason why the destiny of England need be on the wane. On the contrary, if the nation will but rise to the crisis, see the necessity for action, be resolved to fight the battle manfully, and inspirited by a belief in God's providence, and that in obeying His laws the nation will be wiser, healthier, and happier, —the present will be regarded simply as a trying ordeal, a necessary passage through a difficult country, to a brighter, purer, and better future—one in which "expediency" and all "false" ideas of economy, all interference by man with the divine arrangements, will be seen in their naked hideousness, and "true economy" be practised by the State and the individual, to secure to mankind collectively the benefits that will accrue to all once we refuse to obey any law of man's that is not in accordance with the Divine will.

The problem may be hard to solve, but it is solvable. Franklin tells us that "it is difficult for an empty sack to stand upright;" and therefore, because in Ireland many pantries are bare, men have no money in their purses, their children may be crying for bread, it is said to be difficult for them to be contented, honest. But, unless we can teach the Irish people "prudence," it is useless increasing their income. The only rich man, the only man who is above the anxiety of "the morrow," is the man who takes the precaution that his

"expenditure shall be within his income," let that be little or much. Not only in Ireland, but in England, our Constitution may be said to be on its trial. The "caucus" selects the people's representatives; the "clôture" takes away the rights of the "minority" and "freedom of speech." The action of the working classes will have much to do with England's future. The future of the working classes will be right if they are true to themselves. To be this, it is essential that they understand how the "wealth of nations" is secured. They must understand the subject of "Political Economy." The working people never had so much power, socially and politically, as they have at the present moment. Their future, "our future," is in their hands; what will they do with it? A fair rate of wages, fair rents, moderate hours of labour. What use will they make of their better wages, of their leisure time? Both great advantages, if *well used;* but if ill used, they only tend to a speedier degradation and destruction. The mass of the people, the working classes, must be appealed to in a different manner; not as mere tools, not as mere machines, but as "men." They must be reminded that all men are gifted with latent powers and capacities of no mean order, and that

> "He who made us with such large discourse,
> Looking before and after,
> Gave us not these capabilities and God-like powers
> To rust in us unused."

Our faculties were given us for *use*, for development; and our great business here should be to develop and perfect the God-given powers with which we have been so richly endowed. To those who talk of England's greatness as a thing of the past, I say that a brighter and more glorious future is before us, if we are but equal to the occasion, —a future in which our country will be more honoured, more truly great; not, as in the past, by the triumphs of her Army and Navy, and in successfully holding her own, spite of foolish laws sanctioning monopolies and restrictions, but great in the highest sense, from an acquaintance with, and obedience to, the laws of the universe; great in intelligence, great in virtue, great in the sobriety and moral worth of her people, great in her charity and toleration—a truly "free people;" and so, rising higher and higher in all that really ennobles and dignifies a people, she will stand, at length,

> "Like some tall cliff that lifts its awful form,
> Swells from the vale, and mid-way leaves the storm;
> Though round its breast the rolling clouds are spread,
> Eternal sunshine settles on its head."

POLITICAL ECONOMY.

"Not what I have, but what I do, is my kingdom."—CARLYLE.

"Productive industry is the only capital which enriches a people, and spreads national prosperity and well-being. 'In all labour there is profit,' says Solomon. What is the science of Political Economy but a dull sermon on this text?"—SAMUEL LAING.

POLITICAL ECONOMY is the science that explains the laws under which human industry can produce the most beneficial results, and the "wealth of nations" be best developed. Its mission is confined to the education of economic principles, and their application to the science of wealth. Its great value is in giving us the principle that regulates prices, labour, rent, duties. It proves that the price of everything that is bought and sold is regulated by "supply and demand;" also, it enforces the "moral law" of doing as you would be done by, the broad views of things instead of the narrow, and the large-hearted policy of treating the world as if we were, as we are, one huge family, the children of one common Father. We obey this religious conception by free trade—open intercourse with nations, as with provinces in the same kingdom. The selfish policy, by its duties and jealousy of others, in hostile tariffs, excites and maintains feelings of irritation between one country and another. Free trade binds nations, as it binds buyer and seller, by a strong community of interests; and when the time has come for the world to see the benefit free trade is, and the curse protection has been, it will stop altogether, as it now discourages, the curse of war. Free trade gives to all nations the world as a market; it would cause a more general demand for all articles, and thereby use up the supplies, and free us from those periodical "gluts" which, from the limited area at our command, make the demand so much less than we can supply. Free trade will tend to equalize prices throughout the world when our telegraphic system is more extended, and railways for the transport and distribution of goods are more general.

To Adam Smith is due the immortal honour of explaining to man how he suffered in the past through his "commercial and political policy" being contrary to the "natural" course of things—an error,

still too manifest, of trusting to expediency, and trying to modify, by the force of positive institutions, the sufferings of society; instead of ascertaining and trusting to those principles of the human constitution which, whenever they are allowed free scope, not only conduct mankind to happiness, but lay the foundation of a progressive improvement in their condition and in their character. It may be asserted with truth that most of the advantages we now possess arise from our conformity to the laws of political economy, to our obeying the natural laws of free trade. What is wanted now is the elevation of our ideas of barter, raising the calculations of "profit and loss" to the dignity of a science, making greater efforts to combine human happiness with material improvement; economy pursued for the general benefit, to promote the national progress, the growth of national wealth—pursued so as to raise, and not, as is now too often the case, to degrade the character.

The leading object of Adam Smith's speculations upon economic principles was to illustrate the provision made by nature in the principles of the human mind, and in the circumstance of man's external situation, for a gradual and progressive augmentation in the means of national wealth; and to demonstrate that the most effectual plan for advancing a people to greatness is to maintain that order of things which nature has pointed out, by allowing every man, as long as he observes the rules of justice, to pursue his own interest in his own way, and to bring both his industry and his capital into the freest competition with those of his fellow-citizens. Every system of policy which endeavours either by extraordinary encouragements to draw towards a particular species of industry a greater share of the capital of society than what would naturally go to it, or by extraordinary restraints to force from a particular species of industry some share of the capital which would otherwise be employed in it, is, in reality, subversive of the great purpose which it means to promote. Protection in every shape or form is a false system of economy. Men should be free to buy in the cheapest, and sell in the dearest markets they can find; that is to say, every man has a right, without being hindered by the State, to get all he can for his money, and to get all the money he can for his goods. Free trade enables a man to get in exchange for his money, or goods, a greater quantity, the greatest quantity possible, of the goods of other nations. It leaves nature's law free to supply us abundantly from other countries with what we have occasion for, in exchange for our goods. Free trade means the getting from other people the maximum of theirs for the minimum of our own, the making those things we can produce cheaper than others, and taking in exchange those articles they can make or produce cheaper than ourselves. Free

trade means the good of the many, that universal opulence, so far as can be done by wise arrangements, for the distribution of commodities, which benefits all and extends itself to the lower ranks of the people—to all, in fact, as all are consumers. So it helps in the most thorough manner to diffuse a general plenty through all the different ranks of society. To refuse to allow the goods of a country to come in here free because they will not allow us to go into their country free, is to cut off one's nose to avenge one's face. It means, because you are stupid enough to buy goods in the *dearest* way, we will, although we know better, copy your foolish example. Because we cannot sell our goods without restriction, is no reason why the power to buy by us should not be free. If we really understood what "protection" is, we should not only have *all* trade free as the air we breathe, but abolish all monopolies of every kind. Protection means the benefit of a class at the expense of the public. In feudal times this system tended directly to disturb the internal arrangements of society, by obstructing the free circulation of labour and of stock, from employment to employment, and from place to place. The false system which is still so prevalent had for its professed object the regulation of commercial intercourse between different nations, and took its rise from the prejudices, or, rather, from the interested views, of mercantile speculators. This is self-evident, if we consider the two expedients held out by them for the "benefit of the nation"—viz., by drawbacks, bounties, &c., to encourage exportation; and, by levying duties, to put restraints upon importation. They propose to benefit the nation by stopping goods from flowing in as they naturally would, and by enhancing the prices thereof; and to benefit the nation by giving bounties and advantages to speculators, that they might supply at lower prices, or be able to compete in foreign markets, by subsidies drawn out of their fellow-citizens' pockets. Protection in any form, whether it be reciprocity, retaliation, or the latest idea of "fair trade," is a restraint upon the "freedom of trade," and must be prejudicial to the progress and wealth of the nation which imposes it, and is only understandable through the ignorance of the people and the jealousy of commerce. As Adam Smith says: "Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss. Commerce, which ought naturally to be among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity. The capricious ambition of kings and ministers has not, during the present and the preceding century, been more fatal to the repose of Europe than the impertinent jealousy of merchants and manufacturers. The violence and injustice

of the rulers of mankind is an ancient evil, for which perhaps the nature of human affairs can scarce admit of a remedy; but the mean rapacity, the monopolizing spirit of merchants and manufacturers, who neither are, nor ought to be, the rulers of mankind, though it cannot perhaps be corrected, may very easily be prevented from disturbing the tranquillity of anybody but themselves." When Smith wrote this there was an excuse. Men had been brought up in the system, and at the time it was considered wrong to doubt what was. His ideas were *then* considered as paradoxical; they have since become common, and must one day be adopted universally. But in 1883, after nearly half a century of benefit, through the arduous labour of men to get these shackles removed, it is painful to see every period of depression taken advantage of by these self-seeking men to bring back a system that would add considerably to the cost of every article consumed. It is a most glaring case of making the many suffer for the few, instead of the few for the many.

"Out of an art, a man may be so trivial that you would mistake him for an imbecile, at best a grown infant. Put him into his art, and how high he soars above you!" In this consists the value and economy of the division of labour. Take the common pin: one man draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head, requires two or three distinct operations; to put it on is a peculiar business; to whiten the pins is another; it is even a trade by itself to put them into the paper; and the making of a pin is, in this manner, divided into about eighteen distinct operations. By this division of labour, dividing the total of the day by 18, each person will make about 5,800 pins; whereas, had they each worked independently and separately, they could not have made 100 pins a-day. The division of labour occasions in every art and manufacture a proportionate increase of the productive powers of each labourer. This great increase is owing mainly to three circumstances: (1) To the increase of dexterity in every particular workman. Improved dexterity necessarily gives an increased quantity of work for each worker, and lessens waste, as there are fewer errors made by reducing every man's business to some one simple operation. A common smith, who, though accustomed to handle the hammer, has never been used to make nails, if upon any particular occasion he is obliged to attempt it, will make them badly, and will not make above *one-fifth* of those the smith would make whose principal business has been that of a nailer. (2) To the saving of the time which is lost in passing from one species of work to another. It is impossible to pass very quickly from one kind of work to another, that is carried on in a

different place, and with quite different tools. The workman obliged to change his work and his tools continuously, gets into a careless, indolent, sauntering way, and is seldom capable of vigorous application even on the most pressing occasions. Independently, therefore, of the loss from his deficiency in point of dexterity, this cause must always reduce considerably the quantity of work which he is capable of performing. (3) To the invention of a great number of machines which facilitate and abridge labour, and enable one man to do the work of many. As regards the saving of labour by the application of proper machinery, it is so obvious that examples are not necessary. It is right to mention, however, that the invention of machinery by which labour is facilitated and abridged, seems to have been originally owing to the division of labour. Men were more likely to discover easier and readier means of attaining any object when the whole of their mind was concentrated, and their attention directed to a single object, than when it was dissipated among a great variety of things. Any one employed upon a particular branch of labour will find out the easiest and readiest means of performing his own particular work whenever the nature of it admits of such improvement. A great part of the machines made use of in those manufactures in which labour is most subdivided, were originally the invention of common workmen, who, being each of them employed in some very simple operation, naturally turned their thoughts towards finding out easier and readier means of performing it. With the first steam engines, a boy was constantly employed to open and shut alternately the communication between the boiler and the cylinder, according as the piston either ascended or descended. One of these boys, who loved to play with his companions, observed that, by tying a string from the handle of the valve, which opened this communication to another part of the machine, the valve would open and shut without his assistance, and leave him at liberty to divert himself with his play-fellows. One of the greatest improvements that have been made upon this machine since it was first invented, was in this manner the discovery of a boy who wanted to save his own labour. In modern times we depend upon the law of nature, "competition," to keep the makers of machines ever on the alert to try and improve upon those machines in existence, in their particular branch of trade. The same rule as to the value of the division of labour holds good in every business; skilful division and arrangement improves dexterity, saves time, and avoids waste of material; as each individual becomes more export in his own particular branch, more work is done by the whole, and the sum total of the basis of all wealth, "the annual labour of the nation," is considerably increased. You will, therefore, see the value of division of

labour, as the annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate product of that labour, or in what is purchased with that produce from other nations. Accordingly, therefore, as this produce, or what is purchased with it, bears a greater or smaller proportion to the number of those who are to consume it, the nation will be better or worse supplied with all the necessaries and conveniences for which it has need. Do not mistake this term, "labour." The working classes have been misled by many who have misconstrued this truism of Smith, that all depends upon labour. The produce of labour depends upon the skill, dexterity, and judgment by which the employers of labour apply it. The industrial battle is like the game of war; it cannot be played without the men, but the result is mainly due to the capital of those who set it in motion and the skill which directs its operations.

The value of this division of labour is apparent, if you observe what is purchased by the working class of a civilized and thriving country, more especially under free trade, as in England. They are, as a body, well clothed and well fed, and are gradually getting better housed; but think for a moment of the number of people employed, so as to give the labourer so much for his wages, or for his share in the world's work. Take the woollen suit of clothes. We have the shepherd, the sorter of the wool, the wool-comber or carder, the dyer, the scribbler, the spinner, the weaver, the fuller, the dresser, besides the merchants and carriers employed in transporting the raw materials here, and then to the mills; the selling, packing, and sending it, when made, to the merchant, then to the tailor, &c. Then, also, there are those employed in making the ship; the sailors and others, in bringing here the wool, drugs, &c.; besides that large army of industrial labourers employed in making the machinery, and the railways in carrying machines, wool, woollens, &c., to and fro. This argument will apply to his stockings, his shirt, his shoes, his tools, his furniture, his coals, food, the house he lives in, &c. The number of different hands employed in providing for the wants of one family is enormous; and the provision and comfort, as now received by all, is only possible by a thoughtful system of division of labour, and the most economical distribution of the results of that labour.

Necessity is said to be the mother of invention, and we owe a great many of our inventions to the necessities of employers, who have been compelled to substitute machines for men, as the latter have, from time to time, asked for more than their fair share for the labour of their hands. This division of labour, from which so many

advantages are derived, is not originally the effect of any human wisdom, which foresaw and intended for mankind the general benefit to which it gives occasion; but it is due to the "Divine Economist," who, foreseeing that it would be essential to man's existence as he advanced, wisely and kindly implanted within his brain the latent power to enable him to be equal to the exigencies of his position as the propensity was required. This great power of observation, reflection, and speech, which enables man to take advantage of the experience of those who have preceded him, is more or less inherent in all men, but is to be found in no other animal; and much of man's progress, more particularly as regards division of labour, is due to the system of barter or exchange. Here again is a something man has, and animals have not. Nobody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog. When an animal wants to obtain something, either of a man or of another animal, it has no other means of persuasion but to gain the favour of those whose service it requires. A puppy fawns upon its dam, and a spaniel endeavours to engage the attention of its master when he is at meals, and wants to be fed by him. But only the basest of men endeavour by senile and fawning attention, by hypocritical adulation or disgusting sycophancy, to obtain from another man by gift a favour which he should use his own powers of mind and body to obtain. Man needs the co-operation of his fellow-men, as, without the assistance of others, he could not obtain wherewith to live. But a true man asks no favours, wants none, would be above having any. He has something, and offers it to another for something he has in exchange, which something is what he wants, or is money that will enable him to buy what he wants. We do not appeal to the benevolence of the draper, tailor, butcher, or baker, but rely on the efforts of each class in society having ready for us what we need, because it is to their advantage to be prepared to execute our orders. So by purchase we obtain from each those mutual good offices which, as a community, we stand in need of; and it is to this system of barter we owe the division of labour. It was soon found that by each concentrating his powers upon a certain article, or part of an article, greater dexterity and efficiency was to be obtained; and this "cheapness of production" was found to be essential when a man or men had to depend upon getting what they required by exchanging the products of their labour with a class of buyers for money that would obtain it. As the buyers soon became experts as regarded the value each bought, so the struggle for life compelled division of labour, compelled the production of all articles as cheaply as possible, or there was no certainty of being able to exchange the production for the produce of other men's labour.

So necessity compelled all men, as it does nations, to apply themselves to particular occupations—those that are the most remunerative; and nature trusted to man's necessities for his cultivating and bringing to perfection the products each country naturally excelled in, and the particular talents of the people for being devoted to special occupations. And so by this means the most dissimilar productions and talents are made useful to all; and by barter, the different productions of each nation, and the varied talents therein, are brought, as it were, into a common stock, where every man may purchase, in exchange for his own production, whatever part of the produce of other men's talents he has occasion for. There is only one limit to this power of exchange—the extent of the market. When the area is limited, the power of exchange is limited also, and one of the greatest incentives to exertion is withdrawn; as no man cares to make or produce more than he can consume, unless he has the certainty of getting, in exchange for his excess of production over his consumption, such produce of other men's labour as he has a desire or occasion for. Free trade makes the world an open market to all men; protection limits and abridges that area. It is like a wall put up to check the universal diffusion of the Creator's bounties, and, as riches got by tight dealing, becomes a double curse. "And he that hath more than enough, is a thief of the rights of his brother."

Good roads, railways, canals, and nagivable rivers, anything that can be done by a nation to diminish the expense of carriage, and put the remote parts of the country more nearly upon a level with those in the neighbourhood of towns—in fact, that will enable the people and products of any part to be brought the more expeditiously and cheaply into contact with every other part,—are the greatest of all improvements, as they give play to free trade; they open many markets to all, instead of a few; they destroy monopoly, that great curse—that enemy, like credit, to thrift and good management. It seems incredible that some of the counties in the neighbourhood of London actually petitioned Parliament against the extension of the turnpike roads into remoter counties, upon the plea that those remoter counties, from the cheapness of their labour, would be able to sell their grass and corn cheaper in the London market than themselves, and would thereby reduce their rents and ruin their cultivation. Their rents, however, have risen, and their cultivation has improved. But note the utter selfishness of the appeal; and if not spoken in such plain language, all appeals for protection have the same basis: "Protect us to keep up an artificial price for what we make or sell, by shutting out competition." What is it, stripped bare, but a demand for the State, that is elected to see justice done

equally to all, to act in collusion with a certain number of the people to obtain a "larger price" for what they make or sell than, if the law did not render this help, they would be able to? If the law has a right to interfere at all, its duty must be, as it should be, to help "in bringing every article to the consumer at the very lowest possible price."

Let us be real, cease to be hypocrites; give up the hollow shams of our day; be what we profess to be—"free traders." I deny that we are; and I say that we are losing our foreign trade, because we still adhere to the old ideas, still stop "competition" from having fair play, still "protect" ourselves, if the laws have ceased to protect us. Is it a fact, or not, that in the City of London the rule is to refuse to buy of those who will serve traders living outside the City? Is it a fact, or not, that in 1882 a large manufacturer closed accounts with provincial houses that had dealt with him for many years, to oblige his "London" connection? Is it a fact, or not, that the City merchants refuse to tender for a stock if traders outside their sacred pale are allowed to tender for the same? Is it a fact, or not, that merchants refuse to buy of those manufacturers who serve foreigners direct, but want the orders all to go through middle-men at London, Manchester, Huddersfield, or elsewhere? Is it a fact, or not, that people refuse to buy unless the styles are confined to themselves? Is it a fact, or not, that traders object to your serving others in the same trade in a provincial town? Is it a fact, or not, that if an assistant leaves to start for himself, many employers will, directly or indirectly, stop him from being supplied, under the threat of closing accounts? If such practices are in operation, I say we are suffering, we are losing our foreign trade, because we are doing our business still in an artificial manner, and are adding thereby to the price of the articles we sell. In an indirect, underhand manner, we are *practically* "protectionists," although *professedly* "free traders."

Until the last few years, when the Stores attacked prices, profits were abnormally high; and the result confirms what Adam Smith states, that "profit is always highest in the countries which are going fastest to ruin." We are a trading community, and the thoughts of our merchants and traders are exercised upon how to make the most out of their own particular business, rather than about the interests of society. It must be granted to them that they have a better knowledge of their interests than the country gentleman or farmer had of his, and they have frequently imposed upon his generosity, and also that of the public, by making out that what was "against their interests" was against the interests of the nation. But it is not so; on the contrary, the interest of the traders, the distributing class, is

more; "free trade" says, "Reduce the price, by capital, skill, industry, wise obedience to God's economical laws, to 15s.; then you will sell 125 where you now sell 100. For, bear this in mind, nearly all of us could buy more than we do if we had more money, or if the money we had could purchase us more commodities. "Protectionists" say, "By taxes and artificial restrictions upon the freedom of trade, raise the price from 20s. to 25s." Well, it seems to me that by so doing, instead of creating a demand for a larger quantity, you inevitably reduce the purchasing power for 100 articles to 75. Free trade appeals to facts; it is to commerce what science is to theology. It upsets the idea that "all things may be left to themselves;" it says plainly that all these artificial props have a bad influence, seemingly pacificatory, but bad, engaging the people in idle, cloudy dreams, and, still worse, promoting a false composure among the palpably chaotic and discomposed, soothing all things into lazy peace; whereas, in this nineteenth century, with its inventions, railways, and telegraphs, men need to be kept wide awake, or they will be rapidly left behind in the race. What I protest against is this exaltation of "expediency" when things go a little awry, men losing faith in their "principles." Free trade is *right* or *wrong*. If right, let us find the real cause of depression, and remove it; if free trade be wrong, let us admit it, and alter our system. But to try and carry on the "two systems," would be the highest folly. You will see my opinion throughout "Economy:" it is not because we have "free trade," but because we do not act up to "free trade," that we are losing our position in the struggle for existence in the world.

Fortunately, both the great political parties are in favour of "free trade;" no false idea of "fatal expediency" *versus* justice has entered the minds of the nation's guiders upon this question. By example and precept, the people must be taught that successful legislation must be based upon the divine light of justice; that for nations, as for individuals, success is only to be attained by patient perseverance in well-doing, by steady adherence to principle, obedience to the moral law. Walking in that path, we cannot err; guided by justice, that divine light, we must be safe. In ancient, as in modern history, we see how justice has been most conspicuous by its absence from earthly courts, whether ruled by emperors, kings, or judges. Justice as between man and man—justice, the parent of all righteous government under whose even-handed guidance prince and peasant should alike receive equal measure of just judgment,—has, alas! too often shared the fate of Aristides—been ostracised from the world's council chamber. Had justice ruled the Christian world of old, how different had been the lot of the Jews! Hunted fugitives from every land they set foot in—

banned, as their enemies said, with the everlasting curse of God—the sport and prey, for generations, both of kings and people,—what were they but victims of a crazy fanaticism, void alike of reason or justice? The same want of justice is apparent in the government of the many by the few, in all ages; the same selfish, narrow views, that still dare to ask for "protection"—viz., that others may be taxed to let them go on as they have been going; instead of, as nature intended them, leaving a sinking ship and getting into one more seaworthy. Man is quite able to overcome the difficulties of these changes, if he but exercise his reason. A few years ago, men left off wearing fine-dressed cloths, and took to rougher material—clothing that needed quite a different kind of wool to that which had been used. A few manufacturers still made these fine cloths, and, for a time, got their wool very cheap, the demand being much below the supply; but the large wool-growers did not ask for "protection," did not ask some prince or king to start the fashion by wearing dressed cloths; they, as the Creator intended them, used their brains, and, by crossing the breeds, they got the sort of wool that was wanted, and left off supplying an article for which there was no demand. The Creator has done His part,—in all emergencies it is for us to do ours; neglect nothing. "Little things do great works when the great things will not. If I should take a pin from the ground, a little pair of tongs will do it, when a great pair will not" (SELDEN).

The daily life is made up of little things; review your own career, or the lives of others, and it will be irresistibly borne upon you that success or failure in this or that important action depended upon your doing or leaving undone a something that in itself seemed of no importance. How is it that we forget that matters of the greatest importance to our future often depend upon our doing or leaving undone a thing which seems very small? How few understand that all progress depends upon obedience to this law, that the true and only power of accumulation, of forming masses—whether composed of money, water, or men, it is all alike; a mass is an immense centre of motion; but it must be begun, it must be kept up, and the way in which it must be begun and kept up is by obedience to the law of particles. Neglect nothing, attend to little things; nations and individuals must thereby accumulate. Also, adhere steadily to justice, as an eternal principle of right, in all our dealings as a nation and as individuals. By so doing, we obey a law of progress that cannot fail us; we need have no fear of our commercial prosperity falling away, or our riches getting less. A people who, in all their deeds, seek after righteousness and justice, shall live for ever, girt about with an immortality that knows no death: life as it should be—a continual

effort, upon sound economical principles, by mankind to improve their condition, and raise themselves to a loftier level; man developing his "mind"—that source of immense and immeasurable wealth; using it for what it was given to him—to make of his life the continuous adjustment of internal relations to external relations.

We have heard lately of "retaliation"—that narrow-minded cry of the weak and ignorant—and it was with pain that in the *Times* of June 22, 1881, I read a letter by Bonamy Price, arguing that "retaliation, as an act of war, carried out with the sole object of bringing the duty-imposing country to its senses by making it perceive the injury to trade and the losses which protection inflicts, is a wholly different matter. But it is entirely outside of political economy. Political economy is a subordinate body of knowledge. It makes reports on the subjects which belong to it to the statesman. It informs him that all war is a breach of political economy, that it destroys wealth, and thereby creates poverty. There its function ends.

"The policy, therefore, of a war of retaliation against foreign protection does not lie within the decision of the economist, but of the statesman, though the former contributes facts for consideration. There are many elements in such a question which are not economical, and of which the economist is no better judge than others. The temper of the nation attacked, its relation to other countries, the effects which assaults on its trade in one quarter may have on its commercial position in another, the moral effect which the war may have on its people, the chance of enlightening its mind, are not economical questions, but political. In such a problem all that can be said beforehand is, that war is economically wrong, but may be justified by reasons which the statesman accounts valid."

I have given this extract, as it justifies by a political economist a growing thought in the minds of our people, that principle must be sacrificed to expediency. "Free trade is right," they say, but they have not the moral courage to act up to their convictions. "Free trade," says Bonamy Price, in his letter of June 18th, 1881, "that is, the non-imposition of duties for the protection of native industry—is, in principle, absolutely true. No objection to it can be sustained, and it is of the highest value for the prosperity of every country." "Reciprocity or retaliation—that is, the imposition of counter-duties on imports from a country which has enacted protective duties solely for the sake of meeting them, blow for blow—is a mischievous and utterly indefensible violation of free trade." This part of Mr. Bonamy Price's letter, to my mind, is unanswerable; it is the most convincing reply to his justification of import duties, like war by the statesman, as an act of retaliation. Political economy, if it be a science at all, is

a science that gives the principles that should guide statesmen in their dealings with their own and other countries upon all economical subjects. I deny utterly that, under any circumstances, statesmen can have reason for "doing wrong" if free trade be true, if free trade be the system that is of the highest value for the prosperity of every country; if we really believe in free trade, let us have faith in the good it does to us, enlightening the minds of other nations, so that in time they will be compelled to adopt it for their own good. Nations cannot make any permanent or lasting progress until they are wise enough to get at "first principles," and unite as one man to make their rulers adhere to them, refusing the bait of exceptional legislation, for principle to be put aside in favour of expediency.

It is enough to make one doubt our progress when, a century after the death of Adam Smith, a French Chamber of Commerce should begin a letter to the Minister of the Department in 1881 thus: "The fate and future of our export trade entirely depend on treaties." Any statesman worthy the name would say at once, in the most emphatic manner, "I will be no party to this juggling—this obsolete idea of protection—this robbery of Peter to pay Paul." All duties are injurious, if human nature will not bear direct taxation; it is the duty of our Finance Ministers to levy duties for the purpose of revenue, so as to act most fairly to all our subjects; above all, so as to interfere the least possible with the natural course of trade,—so as not to injure a struggling industry; but above all, not to "foster artificially a manufacture by us that nature has arranged to be better and more economically done elsewhere." As to interfering with nations in their buying and selling, it is not our province. We believe in the natural law of "supply and demand." Believing this to be a law of nature, we think it best not to interfere, as it will be better for all parties to be left alone; for we cannot improve on "nature," and by interfering, we may check or thwart the action of a law that has been arranged by the Creator to do the best possible for all parties concerned. As to the idea of "commercial war" by "retaliation," I regret to hear that such a relic of barbarism is entertained; it would be unjust, it would be unwise, if there be any truth in the law of supply and demand, in political economy; such action, from a spirit of vindictiveness, must recoil upon our own heads.

All duties counteract the operation of nature's arrangements to bring prices down to the lowest; they are an artificial impediment put up by selfish men to the Creator's liberal supply of good things for all men. The action of duties is to enhance prices; that is to say, to limit the use to the privileged few, of that which God, in His bounty,

intended to reach all. Stripped bare, and viewed in their hideous nakedness, protection, reciprocity, retaliation, "fair trade," mean putting a burden upon all consumers, putting a tax upon, taking out of the pockets of the majority a something to prop up in an artificial and "unnatural" manner an industry by the minority that, left alone, cannot sustain itself—*is not worth, in fact, in the open market of the world, what it has cost to produce.* If this be true, it is in defiance of all economic laws, it is in defiance of what any individual can do long without becoming bankrupt. It follows, therefore, inevitably that if followed by nations, it is equally unwise economically, and should be opposed with heart and soul by all patriots and statesmen.

A nation of free traders can only make a treaty by a sacrifice of "principle." We should say to all nations: "Our ports are open; send your goods here free of all restraints or duties; we think it right that our people should buy *all* things in the cheapest market; we believe, also, that, if it be to your advantage, the law of self-interest is so strong in the human mind, you will, for your own benefit, buy of us such goods as we can produce cheaper than yourselves." A dignified policy, based upon a belief in "principle," would do more to make other nations follow the free trade policy than the unwise threat of "war in trade" by retaliation, or, by "threatening to *tax ourselves*," to punish other people. Other nations may be excused if, in their ignorance, they adhere to a policy of which we have seen the folly; but for us to imitate their example, to inflict a burden upon ourselves as consumers, for the sole purpose of doing others an injury, is very singular and illogical conduct. Others have suggested "bribes," "promises"—bargaining inconsistent with our position as a free trade country, degrading us to the level of a huckster. There is only one reason for lowering the duties on French wines, or any other goods; we ought to do so because we wish to benefit our own people as consumers, as buyers of these articles. Let us trust to "God and the right;" believe in the reality of free trade, as God's wish and law for our benefit; look facts in the face; give up all treaties; reduce and abolish duties for our own interest; cease once for all in the attempt to coax, trick, persuade, or threaten our neighbours into a doctrine which they will not accept, and which we are practically denying by the very means which we are using to make it pass current. We are told to look at America—see the vast progress which she is making, and, they want us to infer, because of protection. Vast as are the strides the United States are making, they would be still greater if that progress were helped by "free trade," instead of being hindered by "protection." "Wages" are higher there, and this, we are told, is owing to "protective duties." Quite true; but where is the benefit of 30s.

a-week wages if, owing to the enhanced prices of all commodities through the operation of duties, the 30s. will *not buy so* much as 20s. in the country of open ports? It is not the amount of pounds sterling yearly that indicates the remuneration of labour or the interest of capital; it is "what we can buy with the money." Compare the position of every class in Great Britain before and since free trade; the conclusion is inevitable; the progress akin to the marvellous. There is no comparison between the pay received in *real* wealth—that is, in the quantity of commodities given to each individual in exchange for labour or money—before and after free trade. Why, then, does not America follow our example, if the benefits be so apparent? Read the "Wealth of Nations;" you will find therein a parallel case. It is the old dodge of the "large towns imposing taxes upon the country;" a story varied in America by the patriotic language under which the profitable business is done. The Eastern States are the main centres of intelligence, as well as of manufactures; it is there that iron is worked, that cotton is spun, and that books are written. The Western farmer is the credulous recipient of all of them. The theory of protection seems, indeed, to be one by which the multitude are everywhere to be gulled. It is demonstrably false, but it is not the less received and welcomed. The Western farmer hears of the growth of large manufacturing centres through shutting out the foreigners, and he forgets that the basis is economically unsound; the building would collapse at any moment unless upheld by the "heavy tax" he pays for its support, in the higher price of labour, his dress, and his farm implements. Protection is a terrible drag to America, a heavy burden to carry; but the truth is that America, with her enormous natural advantages, her mines, her unexhausted prairie lands, can afford to play tricks with Dame Fortune; she is so wealthy naturally, that her statesmen have not yet succeeded in inventing a system that will ruin her. But dissect the articles protected, and you will find that there, as here or elsewhere, the duties have been obtained by certain cliques of persons to "protect their own business," and not for the general benefit. What would our manufacturers, what would our people, say to a law that, to benefit *one class*—the farmers—made bread dearer to *all*? The same argument applies to duties on *any* article. It is sacrificing the many for the few. It is a false position, impolitic as it is selfish, unwise as it is economically unsound. It sacrifices the larger body to the smaller; it disregards the wider interests of the general community, that the "class interests" of the special few may be made supreme. The point lies in a nutshell. Is it the wisest policy to legislate to protect a special class—a certain body of producers; or, as heretofore, to think of the "consumer," who represents "every-

body"? The question answers itself. The *few* must be sacrificed for the *many*. The few must use their brains, capital, or labour, in some remunerative employment, and not expect the public to contribute indirectly to their support. "But are we to buy, and not to sell?" it is asked. All buying implies selling. We still barter goods for goods. A one-sided foreign trade is not possible for any nation. If we continue to import, exports will naturally follow. Be not uneasy; let them make what treaties they like, impose what duties they please, you may be sure that if we consume French or American goods, by some intermediary channel, by some road, direct or indirect, we shall proportionately send our goods over to France and America. America and France, by shutting out English goods, thereby, by their own acts, are doing all they can to close the English market to themselves. To export to us, they must buy from us; if they buy from us, they must export to us. The natural laws of supply and demand, of buying and selling, are invariable, as they are inevitable, in their operation; it is our ignorance of "political economy," of the divine government of the world, that makes us anxious, restless, wilful, and blindly wanting to commit national suicide. America may be rich enough to infringe the economic laws; England must continue to be a nation of free traders, from *necessity*, if not from conviction; by free trade alone can we exist as a people, as a nation.

"The natural sources of wealth are *industry* and *economy*. By robbery and murder, men may for a time appropriate wealth already produced by their weaker brethren; but under such treatment, the sources of it must soon be exhausted. Producers cease to labour and to save, if not to exist, when exposed to barbarous rapacity. No human skill, therefore, can render a nation permanently rich by neglecting industry and prosecuting conquest and plunder.

"If the world is constituted on the principle of the supremacy of the moral sentiments and intellect, the practice of one nation seeking riches and power by conquering, devastating, or obstructing the prosperity of another, must be *essentially futile*: being in opposition to the moral constitution of creation, it must occasion misery while in progress, and can lead only to the impoverishment and mortification of the people who pursue it. It is narrated that Themistocles told the Athenians that he had conceived a project which would be of the greatest advantage to Athens, but that the profoundest secrecy was necessary to insure its success. They desired him to communicate it to Aristides, and promised, if he approved, to execute it. Themistocles took Aristides aside, and told him that he proposed, unawares, to burn the ships of the Spartans, then in profound peace with the Athenian State, and not expecting an attack; which would

very much weaken the Spartan power. Aristides reported that nothing could be more *advantageous*, but nothing more *unjust*, than the project in view. The people refused to hear or to execute it. Here the *intellect* of Aristides appears to have viewed the execution of the scheme as *beneficial*, while his sentiment of conscientiousness distinctly denounced it as *morally wrong;* and the question is, whether nature is so constituted that the intellect can, *in any case*, possess sufficient data for inferring actual benefit from conduct which is disowned and denounced by the moral sentiments. It appears to me that it cannot. Let us trace the project of Themistocles to its results.

"The inhabitants of Sparta possessed the faculties of self-esteem, combativeness, destructiveness, intellect, benevolence, and conscientiousness. The destruction of their ships in times of profound peace would have outraged their higher sentiments and intellect, and these would have kindled combativeness and destructiveness into the most intense activity. The greater the injustice of the act, the fiercer would the flame of opposition, retaliation, and revenge have glowed; and not only so, but the more grossly and wantonly the moral sentiments were outraged by the act, the higher would have been the class of minds which would have instinctively burned with the desire of revenge, and the more powerful would they have been, by wealth, intelligence, and determination, to inflict it. The Athenians then, by the very constitution of nature, would have been assailed by this fearful storm of moral indignation and animal resentment, rendered doubly terrible by the most virtuous and intelligent being converted into the most determined of their opponents.

"Turning to their own State, again: only those individuals among themselves whose intellect and moral sentiment were inferior to acquisitiveness and self-esteem, which give rise to selfishness and the lust of power, could have cordially approved of the deed. The virtuous would have turned from the contemplation of it with shame and sorrow, and thus both the character and numbers of the defenders would have been diminished in the very ratio of the atrocity of the crime, while the power of the assailants, as we have seen, would, by the very circumstance, have been proportionally increased. It was impossible, therefore, that permanent advantage to Athens could have resulted from such a flagrant act of iniquity; and the apparent opposition, in the judgment of Aristides, between the justice of the deed and the benefits to be expected from it, arose from his intellect not being sufficiently profound and comprehensive to grasp the whole springs which the enterprise would set in motion, and to trace out the ultimate results. In point of fact, there would have been no opposition between the dictates of conscientiousness and those of an intellect

that could accurately survey the whole causes and effects which the unjust enterprise would involve; and the Athenians, in listening to the suggestions of the moral sentiments, actually followed the most advantageous course which it was possible for them to pursue. The trite observation, that 'honesty is the best policy,' thus becomes a profound philosophical maxim when traced to its foundation in the constitution of human nature" (GEORGE COMBE).

"By different roads," Montaigne wrote, "we arrive at the same end." It is so; and the roads will vary with the age one lives in. But still, the essential qualities in *all* ages are the same: self-reliant, courageous, independent; ready for any employment, and ashamed of none; and withal, brave, sensitive, and sympathetic; content with the world as it is, recognizing that there are, must be, changes in most things human; seeing the necessity of the high tides and the low tides of prosperity to keep us fresh (the vicissitudes of life keep us from letting things get stagnant). Yet, ever prudent, aware that with the many "life is made up of meeting bills drawn on the future by the improvidence of youth," they have been taught too late that "the consequences of our own actions are what men call fate; they accompany us like our shadows." With health, life should be a pleasure to us—is to those with no sad memories of past faults, no anxieties as to the retribution in the future for their follies. Have faith in your fellows. It is a sad thing to own that we have been Christians for nearly two thousand years, and yet the majority will say, "That man is a fool who trusts another man." It seems odd, *if we have been Christians*, that such should be what men call the "wisdom of experience" in this complex game of life—a game in which to play to win needs a foresight, special knowledge, aptitude to do and say the right thing at the right time—so to act as to be prepared for the turn of the tide at any moment; a great game, if played consistently and honestly, with calm judgment and faith in right principles, against the subtleties of cunning greed, or the reckless enthusiasm or panic of ignorance; a game that needs many qualities, and, having these, a steady watchfulness and attention to the smallest cloud as it appears on the horizon. "Having once commenced the ascent of life's ladder, let us endeavour regularly to continue mounting it. So many, before they get anywhere near the top, turn round and commence descending again, after which any upward movement will be found far more difficult than before."

TAXATION.

"No man oppresses thee, O free and independent franchiser; but does not this stupid pewter pot oppress thee? No son of Adam can bid thee come or go, but this absurd pot of heavy-wet can and does. Thou art the thrall, not of Cedric the Saxon, but of thy own brutal appetites, and this accursed dish of liquor. And thou pratest of thy 'liberty,' thou entire blockhead!"—CARLYLE.

THIS is a free country, and as the people tax themselves, or think they do, they pay their taxes, perhaps grumblingly, but they are paid, and the majority of the people give little attention to the subject. Yet the amount paid by us yearly in Imperial and Municipal taxes is enormous. "Economy" has been a party watchword for years, and yet our expenditure has steadily increased; and as the power of a people to pay taxes depends not upon numbers, but upon wealth and income, and as the income has, until recently, gone on steadily increasing, the higher taxation has not been felt. But, unless a change soon takes place, "high taxes and rents" will be felt, and stern necessity will compel the people to consider how the national affairs can be more economically managed. Frugality is as essential for a state as for an individual, and extravagant public expenditure demoralizes the people, discourages industry, and diminishes the capital of the country. The system of taxation should be permanent; changes are injurious to commerce. Under the old system of indirect taxation, there was always the fear, which paralyzed trade, that the taxes would be increased or decreased. The basis of the system should be, to be as "equally just" as possible in its collection. It should reach all classes of people and all kinds of property alike, without unjust discrimination in favour of any. The payment of it should be regarded as a debt due to the State for protection of life and property, for peace and security; and one and all should feel that in paying less than *his* fair share, he is thereby making some one else pay more than he ought. It may be difficult to determine what is just for men with different incomes to pay; but once the people understand "taxation," they will find a means of applying the principle of equality, more especially as the disregard of it is subversive of civil liberty. Unequal taxation has always been characteristic of despotic and barbarous governments. The principle of equality—viz., that each and all shall willingly con-

tribute his just portion of the expenses—would have stopped the errors of the past, when the rich put the burden upon others, and the danger of the present—to favour the poor at the expense of the rich.

The principle upon which all our taxation, direct or indirect, should rest, is, that it should be general in its application. Our present system of direct taxation, with its system of "exemptions," practically limits its payment to a single class, and is, in reality, nothing more or less than a forced contribution levied upon that class. But the time must come when people will see the wisdom of knowing what they pay; then "financial reform" will be a reality, not the mockery it has been since 1849, when Mr. Cobden gave notice of motion for pledging the House of Commons to undertake a reduction of the expenditure of the country by about £10,000,000, so as to bring it down to what it was in 1835. We shall get no reduction until we alter our system of raising the revenue. For our complicated method, our subtle, "disguised" system of extracting the money from the ratepayers, we want the open and direct method. The most honest, simplest, and wisest, as it is the most economical, is "one tax"—the Income Tax. By it every man would know what he contributed to the State; by knowing what he paid, his attention would be drawn to the subject; he would examine the expenditure, and try to reduce it; and every man would be interested in knowing that his neighbour was paying his fair share of the burden. "Economy in collection" would be a large item. There should be an officer in every parish, and every individual liable to be taxed should call and pay his share of the taxes. The nation wants so much; the national income is so much; 5, 10, or 20 per cent. of that income will yield the sum required; pass the law yearly as to what per-centage of his income, let it be little or great, every individual has to pay, and make him pay it; the paying of it giving him the right to vote for the national representation; "No taxation without representation" being a just cry, if there be an Upper Chamber to protect the rights of the minority, who have a larger stake in the country, against being overwhelmed by the masses, by decisions adverse to the rights of property, in a Chamber where numbers alone would carry the day. The safety-valve is, in *all* being taxed; truly they are now, but I mean by the "direct" system, by which alone every individual knows what he pays. Once get the people to understand that the interests of the poor and the rich are identical in the matter of taxation and public expenditure, we shall have taken away the danger of Radicalism, which really means taking away from A to give to B, shifting the burden of taxation off the shoulders of the poor to the backs of the rich, and in so doing

breaking the backs of many that are not rich, but, from their social status, are assumed by the State to be so. The "Income Tax" is simple, direct, and the most equitable; it is paying to the State a kind of tithe, and should be paid as willingly and honourably as tithes are *voluntarily* paid by members of certain religious bodies. There must be taxation. Look the subject fairly in the face; reduce it to its minimum, collect it in the most economical manner; show to each and every individual that he has only to contribute his just share thereof, and the necessary sum will be paid. Our taxation is heavy enough, without the collection being made in a manner that adds materially to it. We are apt to think too much of "effects," and too little of "causes and principles." We take the total of taxation, but forget the great difference to each individual if that taxation be levied directly, or added to by being "indirectly" got, and the "extra profit" charged for collection. The same with the wealth of nations; it is useless to tell us of the national prosperity, unless you receive the greatest possible social happiness. As Sismondi says: "The nation is only the sum total of all the individuals which compose it; and the progress of wealth is illusory if obtained at the price of the general misery." The accumulation of wealth is very important, but the beneficial distribution of it is still more important.

The student of taxation will find much help from Sir Stafford Northcote's "Twenty Years of Financial Policy, 1842—1861." Those years witnessed a great change in the financial system of England; and concurrently with that change, we have seen a marked development of the wealth and prosperity of the country. The period reviewed is that commencing with Sir Robert Peel's imposition of the Income Tax in 1842, and ends with the repeal of the Paper Duties in 1861. During the twenty years we see how large surpluses were applied, and how large deficits were met; we have peace taxation and war taxation, successful and unsuccessful operations upon the interest of the debt; we repealed an enormous mass of taxation with one hand, and laid on a still larger amount with the other; we revised our commercial policy, and, to some extent, our monetary policy also. It is well to look back; we have been grumbling the last five or six years. Think of our condition when Sir Robert Peel made his financial statement, March 11th, 1842. Five times in succession the revenue had fallen short of the expenditure by amounts averaging about £1,500,000 per annum. In the year 1840-1 the estimate of income had been £48,591,000, and the amount realized had been only £47,433,000. In 1841-2 the deficiency was £2,421,000, and the failure was in the revenue from the Customs and Excise, which then yielded four-fifths of the whole; then followed a bold attempt to obtain a balance of

income and expenditure by an addition to taxation; and it appeared to imply an exhaustion of the resources of the people more serious than any deficit in the Exchequer, and which was, unhappily, but too much in accordance with other disheartening and distressing signs of the times. There was a scarcity of employment and a deal of suffering among the lower classes, as "provisions were at a high price;" Chartism was exciting serious uneasiness; the new Poor Law was pressing hardly upon the people; the recent harvests had been bad; and emigration, to relieve the pressure, not much resorted to.

Sir Robert Peel estimated the expenditure for 1842-3 at £50,798,000, and the income from the taxes as they were at £48,350,000. As the attempt to increase the income by increased charges on articles of consumption had failed, and as the beneficial results to the revenue from decreased charges needed time, and as he would not be a party to loans, &c., he made "an earnest appeal to the possessors of property, for the purpose of repairing this mighty evil." He said: "I propose, for a time at least (and I never had occasion to make a proposition with a more thorough conviction of its being one which the public interests of the country required)—I propose that, for a time to be limited, the income of this country should be called on to contribute a certain sum for the purpose of remedying this mighty and growing evil. I propose that the income of this country should bear a charge not exceeding 7d. in the £, for the purpose of not only supplying the deficiency in the revenue, but of enabling me with confidence and satisfaction to propose great commercial reforms, which will afford a hope of reviving commerce, and such an improvement in the manufacturing interest as will react on every other interest in the country; and, *by diminishing the price of the articles of consumption, and the cost of living, will, in a pecuniary point of view, compensate you for your present sacrifices; whilst you will be at the same time relieved from the contemplation of a great public evil.*"

The 7d. in the £ was expected to realize £3,771,000 (it really realized £5,100,000, every 1d. then giving £750,000, every 1d. in 1881-2 yielding £2,000,000), and he expected a surplus of £1,800,000; £1,200,000 of which was applied very wisely to the reduction of the duties on foreign and colonial timber, coffee, and about *seven hundred and fifty* various articles in the tariff; repealing at the same time the export duties on British manufactures, and reducing the duty on stage-coaches. Sir Robert Peel concluded his great speech by an appeal to his hearers to follow the example set by their fathers, who, in the hour of their greatest distress, "with a mutiny at the Nore, a rebellion in Ireland, and disasters abroad, yet submitted with buoyant vigour and universal applause (with the funds as low as 52) to a Property

Tax of 10 per cent." Speaking after twenty-five years of peace, at a time of increasing prosperity, wealth, and comfort among the upper classes, but of increasing financial embarrassment in the country, he expressed his confidence that the appeal he had made would be successful, and that the representatives of the people would not "throw away the means of maintaining the public credit by reducing in the most legitimate manner the burden of the public debt." But the House objected to a "recurrence to that odious impost." Why odious? A man has so much to pay; let him face the payment in a manly spirit; put his hand into his pocket and pay it; not have it squeezed out of him in all manners of indirect ways. It is singular that the Whigs opposed a measure that enabled the Minister to take off a lot of indirect taxes, and acted in harmony with free trade. Yet Lord John Russell opposed the Income Tax at every stage; the first debate upon the resolutions lasted eight nights, and every stage of the Bill was opposed. There were sixteen divisions upon it; and it was not until May 31st that the Bill was read a third time, by a majority of 106.

The year 1844 showed a surplus of £4,165,000. Setting aside £2,749,000 to pay off the deficit of the preceding years, there was still a surplus of £1,400,000; whilst the conversion of about £250,000,000 of 3½ per cent. stock into 3¼ per cent. (Consols being at 99) for ten years, and to 3 per cent. after 1854, produced an immediate saving of £625,000 a-year, and an ultimate saving of £1,125,000 a-year. This improved financial position was mainly due to Sir Robert Peel's introduction of the Income Tax to pay deficiency, instead of the easier practice of resorting to a loan; the former improves, the latter plan deteriorates, the public credit. In 1845 Sir Robert Peel asked that the Income Tax might be renewed for another three years. It was not wanted for purposes of revenue, but he wanted to extend the operation of an economical law; he wanted it, not for supplies, but for the purpose of making an experiment in reducing other taxes. The "reduction of duties" had proved that a "larger revenue might be obtained from smaller duties," and he proposed to extend the action of this principle by reducing heavy taxes on articles of general consumption; also to consider those taxes that pressed most on the raw materials of manufacture, what taxes were disproportionately expensive to collect, and what taxes there were, the removal of which would give more scope to commercial enterprise and occasion an increased demand for labour. The sugar duties were reduced; all remaining export duties were removed, including that on coal; about 430 articles were swept altogether from the tariff. The duty was taken off cotton, wool, glass, auction licences, &c. The present genera-

tion has no conception of the nuisance it used to be when nearly every article imported or exported, and many branches of trade, were subject to Government supervision and taxation. The tax was bad enough, but the nuisance and loss of time was even worse. It was a bold stroke by Sir Robert Peel, who for the first time, in 1845, introduced the principle of absolutely repealing, instead of merely reducing, duties. We are too apt to forget the obligation we are under to those men who dare to establish precedents, more especially in finance; and, without undervaluing in the least what has been done by Mr. Gladstone, it is only fair to Sir Robert Peel that the nation should remember we owe to him the initiation of the idea that the lesser duty on articles in general demand will yield a larger return; and to his moral courage, the abolishing absolutely and entirely, by the imposition of the Income Tax, duties that never ought to have been charged; many never even covering the cost of their collection. The Whigs opposed the Budget, but not so strongly as they had done in 1842; and it is a page in financial history we should be proud of, a page we should remember as a guide and example for us to follow, that in 1845 the Income Tax was proposed by a great statesman, and deliberately adopted by Parliament, not as a measure of urgency, as in 1798 or even in 1842, but when it was calmly weighed in the balance against cheap sugar, cheap glass, cheap cotton, and the rest, and found to be a price worth paying for these countervailing benefits.

We see by Sir Robert Peel's Budgets of 1842 and 1845 the putting into practice of the principle of "free trade;" and in 1846 he proposed not only a great alteration and ultimate extinction of the duties on corn, but likewise some further material alterations in the rest of our Customs' tariff; and duties to the amount of more than £1,000,000 were again remitted in the course of this year—a year remarkable for the death-blow to "protection." Duties were reduced on tallow and timber, to enable manufacturers to get these important raw materials on better terms. The protective duties on the coarser kinds of cotton, woollen, and linen manufactures were abandoned, and those on the finer kinds reduced from 20 to 10 per cent.; the duty on silk was fixed at 15 per cent., but on most other manufactured articles the rate was fixed as nearly as possible at 10 per cent. Those who ask for "reciprocity" and "retaliation" should look over our tariffs before 1842; think of the vast benefit a really wise statesman, adhering to economical laws, is able to effect; the godsend in 1846 these reductions, and others on soap, candles, boots and shoes, seeds, butter, cheese, hops, &c., must have been to our forefathers, when, in 1846, the duties on all kinds of meat and on live animals were repealed; but more especially that great boon of reducing the duties on corn to a

low sliding scale for three years, to be followed in 1849 by a nominal duty of 1s. a quarter upon grains of all kinds. And with what result? A most extraordinary financial success; and in a year when a calamity of the heaviest nature had fallen upon the country—"the Irish famine." The reaction from deficiency to surplus in the finance was due to the new system of commercial and financial policy adopted by Sir Robert Peel—a policy which aided, instead of counteracting, the effects of the blessings of Providence. It was "free trade" replacing "protection;" it was freedom of action against the tyranny of arrogant duty collectors. It was right conquering wrong; it was the saving of the commonwealth; as, had the change not been made before the famine of 1846 and the panic of 1847, a revolution was inevitable.

The year 1847 was a trying one. A panic in April, when many failures took place; in October and November, another panic. In a few months 220 mercantile houses of the highest class fell; the liabilities of 85 out of these 220 firms were estimated at £12,000,000, and the total loss by the whole of the failures was stated by Mr. Herries, in the House of Commons, February 17, 1848, to be £30,000,000. Discount was nominally 8 per cent., but, practically, only a few of the highest class could get help from the bankers. Government was applied to, and the Bank Act was suspended. The cause of the failure was the large sums that had been spent upon railways. From 1832 to 1843 we had spent £60,000,000, or an average of £5,000,000 a-year; but in 1844, schemes involving an expenditure of £15,000,000, in 1845 £60,000,000, in 1846 £110,000,000—or, in three years, an expenditure of £185,000,000—were sanctioned by Parliament. These works required a large number of labourers to execute them. There was an increased demand for the necessaries of life, an increased consumption of taxable articles. This caused the revenue to be so much better. But too much had been undertaken at once; the nation was locking up too much of its capital. The quickening and cheapening of communication has had a most beneficial effect upon the country, but this same benefit might have been obtained without the ruin of so many in 1847 had the nation gone more prudently and thoughtfully about its business.

The duties on corn which Sir Robert Peel had imposed at a moderate rate for three years from the period of his great measure, expired, or, to speak more correctly, were reduced to an almost nominal amount, on the 1st of February, 1849. The most important of the protective duties upon our tariffs had now been swept away, or were prospectively condemned. The great battle of free trade had been fought out, and it was acknowledged in 1852 by the late Earl Beaconsfield, when Chancellor of the Exchequer, that

it was not the intention of the Government to propose any measures for the reversal of the recent commercial policy of the country, and the question seemed finally settled, when the amendment of Lord Palmerston's to a resolution of Mr. Villiers', in 1852, intended to express the sense entertained by the House of the benefits derived from free trade, was adopted by 468 to 53. Yet, in 1881, the principle of free trade has again become the subject of controversy—modified to reciprocity or retaliation, but protection under another name. Trade is bad; the demand for goods depends upon the purchasing power of the people. By free trade, 20s. will enable you to buy six articles; to increase demand, it is seriously proposed to make certain goods dearer, to limit, in reality, the purchasing power of 20s. to five articles instead of six. There is only one way of increasing consumption: reduce the price so as to bring the article within the reach of those who have hitherto been precluded from buying it. You certainly take a peculiar way of increasing demand, by *increasing* the price. And as to a war of tariffs, the most enthusiastic must see that any increase of Customs' duties which would be tolerated at home would be far too insignificant to coerce foreign monopolists. It is admitted on all hands that the vast amount of imports, which consist of articles of food, must remain wholly exempt from taxation. Raw materials of every kind must form another exception. "Put a higher duty on wine and silk, on all luxuries," it is said. Well, as before stated, any enhancement of price only curtails the purchasing power, whether it be of rich or poor; any reduction of price, whether of luxuries or necessaries, has the opposite effect. It may seem a hardship for other nations to shut us out, but I presume that they have as much right to act as they think best for their own interests as we have to act in an opposite way because we think it better for our own interests. Is it wise to copy their wasteful ignorance? Is it likely to make other nations follow our example, if we say, "You are wrong in your policy, and, to make you do right, we shall do wrong also"? You see at once the absurdity of the "retaliation" idea. You must not view "free trade" by the last few years of depression; you might as rationally and logically have condemned expenditure on railways because they produced the panic of 1847. Railways have been a wonderful stimulus to trade, have been a great boon in the cheapening of all articles to the consumer, by easier, quicker, and cheaper means of transport. Free trade has been similarly beneficial. Do not be misled by interested parties, but adhere tenaciously to principle. No temporary distress justifies either people or statesmen in sacrificing a principle to the expediency of the moment. Their ideas of how to cure a passing disorder are more likely to be incorrect than a principle based upon a law of nature.

In 1850, besides advancing to agriculturists £3,000,000 for drainage and other improvements, Sir Charles Wood remitted the duty on bricks, thereby reducing the cost of cottages, farm buildings, and houses of every kind. The Stamp Duty was also reduced on leases and mortgages. In 1842 the proposed Income Tax received no quarter from the Liberal Party in either House of Parliament; but in the Budget for 1851-2 we see a marked change in the financial progress of the Liberal Party. Instead of using his surplus of £2,500,000 to abolish the Income Tax, Sir Charles Wood suggested that the House Tax be substituted for the Window Tax; coffee duties be reduced from 6d. per lb. on foreign, and 4d. on colonial, to 3d. per lb. on all coffee; duties on foreign timber be reduced one-half, and duties on agricultural seeds in a much larger proportion. But before the Budget could be discussed, the Ministry of Lord John Russell resigned, having been defeated upon Mr. Locke King's County Franchise Bill. Lord Stanley, however, was not able to form a Ministry; so Lord John Russell and his colleagues had to resume their offices. The Budget was slightly altered, the House Tax being reduced from 1s. to 9d. on dwelling-houses, and from 9d. to 6d. on shops; the reduction of the timber and coffee duties was adhered to, but the proposal to reduce the duties on agricultural seeds was withdrawn.

Mr. Disraeli's Budget of December, 1852, was rejected by a majority of nineteen, and the Ministry resigned. It was not a bad Budget; it contained proposals for relieving the shipping interest from certain taxes, for giving the sugar planters the advantage of refining in bond, for remitting half the Malt Tax and half the Hop Duty, and for reducing the duties on tea from 2s. 2d., by several successive stages, to the rate of 1s. per lb.; but it proposed to extend the House Tax to houses of £10 value, and to increase its rate from 9d. and 6d. to 1s. 6d. and 1s. in the £—a fatal alteration. Mr. Gladstone began his manipulation of our finances in 1853. His speech was a masterpiece—so much so, that the House, averse to the continuance of the Income Tax, granted its renewal for seven years, permitted it to be extended to incomes of £100 per year, instead of £150 as heretofore, and allowed it to extend to Ireland, a country which had not yet felt its pressure. The duties were also raised upon Scotch spirits from 3s. 8d. to 4s. 8d., and on Irish from 2s. 8d. to 3s. 4d. per gallon; but, for the first time, allowance was made to the distillers for waste in bond, and revision was made in trade licences; involving an increase in the revenue of £113,000. But the remissions were of a very extensive character. First came a boon to Ireland—no less a one than the remission of the whole debt

of £4,500,000 due for the advances made in the time of the Irish famine; then came the repeal of the soap duty; the reduction of the tax on life assurance from 2s. 6d. to 6d. per £100; the substitution of an uniform penny stamp on receipts for the old system of graduated stamps; a reduction in the amount of the attorneys' and solicitors' certificate duty; a reduction of the advertisement duty, and of the newspaper duties; a reduction of the hackney carriage duty; a reform in the whole system of the Assessed Taxes, including the abolition of progressive duties, of composition, and, as far as might be, of exemption; an amendment of the post horse duty; and an extension of the facilities given for the redemption of the Land Tax. Under the important head of the Customs' Revenue, Mr. Gladstone proposed to follow the plan of Mr. Disraeli, and to bring the duty on tea down by successive stages to 1s. per lb. A large number of other duties of Customs were also to be dealt with; on 123 articles they were to be entirely remitted, on 133 they were to be reduced; protective and discriminating duties were to be abandoned to a great extent, and rated duties were, as far as possible, to be substituted for duties *ad valorem*. It was a great financial scheme, a Budget remarkable in many ways. We miss in it the caution, which is perhaps the most striking feature of the financial plans of Sir Robert Peel; while, in its place, we meet with a boldness of conception, a love of effect, and a power of producing it, such as we do not find in the remarkable Budget of 1852. Mr. Gladstone, of course, had the advantage of the ten years' experience of Sir Robert Peel's reforms and innovations to guide him, and the success of the last ten years enabled him to carry his measure; but before the arrival of 1860, his want of caution was manifest. His great error consisted in not making a sufficient allowance for the uncertainty of all human affairs, and, perhaps, in a want of sagacity to discern the signs of the times. A war with Russia was not to be foreseen in 1853, but a statesman, in laying out a plan of finance for seven years, ought to have remembered it as a probability, and certainly ought to have remembered that within two years £2,000,000 had been added to the Estimates. With the Irish spirit duties Mr. Gladstone was successful; although twice before, in 1830 and in 1842, had attempts been made to raise these duties, and twice these attempts had failed. In 1854 he again advanced them; in 1855 Sir George Lewis again advanced them to 6s. 2d., and the English and Scotch to 8s. But it was left to Mr. Disraeli, in 1858, to put the finishing touch to the work by raising the duty on Irish spirits to 8s., and thereby for the "first time" *equalizing* the spirit duties for England, Scotland, and Ireland. Mr. Gladstone, in 1860, raised the duty in the whole of the

three kingdoms to the rate of 10s. per gallon—a great advance when we consider that in 1843 the duty on Irish spirits was 2s. 8d. per gallon, and that there was no duty on Scotch or English spirits. The two most remarkable features of the finance of 1853 were the extension of the Income Tax to Ireland, and the commencement of the equalization of the spirit duties. The part relating to the revision of trade licences was abandoned, owing to the representations of the parties affected. Mr. Gladstone was also defeated on the advertisement duty. He proposed to reduce the duty from 1s. 6d. to 6d.; but Mr. Milner Gibson moved to repeal it altogether. He was defeated by a majority of ten. A fresh debate ensued, and when the main proposal was put to the vote, Mr. Craufurd moved to substitute the cipher 0 for the figure 6, which motion he carried by a majority of nine, and the advertisement duty was repealed. The same want of caution was manifest in the attempt to reduce the interest upon a portion of the 3 per cent. Consols, and the creation of a $2\frac{1}{2}$ per cent. stock. Fortunately for the holders of Consols, Government has not the power to pay them off without giving a "year's notice beforehand," and no Government dare venture on the bold step of giving such a notice, and taking the consequences which might ensue from a change of circumstances in the interval. For instance, in this case, "time" proved that we were on the verge of a serious war. The South Sea Company dissented, as a body, from the terms proposed in respect of its stock and annuities, and demanded payment in cash to the extent of about £8,000,000. The Exchequer bills dated in March bore an interest of $1\frac{1}{2}$d. a-day, and those dated in June an interest of $1\frac{1}{4}$d. a day. When the March bills came to maturity, Mr. Gladstone reduced the interest to 1d. a-day, and the whole amount, about £8,500,000, was exchanged at the reduced rate; but of the £9,250,000 due in June, only £5,890,000 were exchanged. There was a little saving; but by the end of the financial year, the amount of Exchequer bills was as large as at the commencement, and the interest was 2d. per day, and deficiency bills had been issued to a greater extent than had for some time been the case. Investors like "security," but "investors who live by the proceeds of their invested capital" will naturally rebel, and seek elsewhere for a larger rate of interest, if Government offers them too little. I, for one, should refuse to agree to a lesser rate of interest than 3 per cent. for Consols, Government loans, or similar securities. No doubt, at times the money could be had easier; but we want capitalists to have faith in the security not only of their capital, but the "permanency" of their rate of interest; or, once doubt becomes general, the national fund will be gradually diverted into more profitable channels by all thoughtful men.

In 1854, war, that great spendthrift, had got hold of us; and the Income Tax was doubled—viz., raised to 1s. 2d. in the £; the duty was raised on Scotch and Irish spirits, and the malt duty was raised from 2s. 8½d. to 4s. per bushel. These additions brought in nearly £7,000,000, but £6,000,000 more had to be raised by Exchequer bonds to meet the demands of the year. But the troubled state of the Money Market was the worst feature of 1854, caused by trying to take advantage of the public creditors in 1853, and making us pay off at par the dissentient fund-holders—greatly to their advantage, as they bought in again at 90 or 91. It reduced the balance at the Bank, lessened the fund available for discounting commercial bills, compelled the employment of savings' banks' moneys to sustain the operation; was, upon the whole, greatly to the State's disadvantage. The curse of war was experienced in 1855. Sir G. C. Lewis had to announce a deficit of £23,000,000; to meet which, he proposed a loan of £16,000,000, issuing of Exchequer bills for £3,000,000 (a further issue of £4,000,000 was asked for in August, making the issue for the year £7,000,000, or an addition to our indebtedness of £23,000,000 for the year), raising the sugar duties from 12s. to 15s. per cwt., coffee from 3d. to 4d. per lb., tea from 1s. 6d. to 1s. 9d. per lb. The duties on Scotch and Irish spirits were raised, and 2d. was added to the Income Tax. In February, 1856, tenders for a new loan of £5,000,000 were asked for; and it is remarkable that Baron Rothschild was the only person who tendered. He made an offer of £100 for £112 5s. stock; but this offer having been rejected, to his credit, as we were at his mercy, he accepted the Government minimum of £111 2s. 2d., which was equivalent to an issue of Consols at 90. On May 19th, the war being over, a loan for £5,000,000 was taken by Baron Rothschild at £107 10s. 7d. Consols for every £100 in money. But mark the difference between peace and war! Applications to the amount of £40,000,000 had been forwarded to Baron Rothschild, and he had deposits of £4,000,000 in Bank of England notes or gold when he attended at the Treasury to negotiate for the loan.

The expenditure for 1852-3 and 1853-4 was £102,032,596, but the war had increased the expenditure for 1854-5 and 1855-6 to £155,121,307, and a further sum of £24,500,000 was charged in the Estimates of 1856-7; so that the cost of the Crimean War was £77,588,711. But the worst feature is, that the lesson we learnt from the expenditure upon naval and military services in the Russian War has never since been unlearnt. Among its most disastrous effects, is—first, that it stirred up in Europe a spirit of restlessness, which has made all nations feel it doubly incumbent upon them to look to their means of defence; and, secondly, it set all the world to

seek for the means of improving the instruments of attack and defence, and has added enormously, and without stint or measure, to the most unprofitable and the most unsatisfactory of all possible forms of expenditure. Modern inventions may shorten war, but they spread the cost of war over times of peace to a much greater extent than was formerly the case; so, although they seem to cost less, in reality wars are more costly than ever.

In 1860 the "Paper Duty was repealed," and Mr. Gladstone was able to state that whereas, in 1842, the number of articles subject to duty had been 1,052, which had been since increased by Sir R. Peel's first reform of the Tariff to *1,163*, and had afterwards been brought down by several stages to 419, in 1860 that number would be reduced to no more than *48*, of which 15 only—spirits, sugar, tea, tobacco, wine, coffee, corn, currants, timber, chicory, figs, hops, pepper, raisins, and rice—would be contributors of any importance to the revenue. Think for a moment, when people talk to you of the comparative merits of "protection" and "free trade," of this fact—of 1,163 articles taxed by the former in 1842, 48 only subject to that vexatious and cruel system by the latter in 1860—and then decide if you will revert to such a costly method of taxation. It would be madness, it would be ruinous. Our duty is to abolish the duties still left as a legacy from the past; not to reimpose any of the shackles we have been freed from.

Some say, the "Income Tax" demoralizes the people more than any other system of taxation; but let your thoughts go back to the times when every one tried to cheat the revenue, and had the facility of 1,163 taxed articles to do it upon. My friends, beware of "protection," of that odious system, based on selfishness, that, by its iniquitous action, makes tradesmen, respectable members of society, degrade themselves to the level of "thieves," rather than submit to its operations! Taxes must be paid. Watch the expenditure; be "economists," but be men; face the inevitable; pay your taxes, but do it in a manly way, with your eyes open, knowing to a sou what you are paying. *Had this been our policy* for the last forty years, would our expenses have increased from £49,284,000 in 1840-1 to £83,108,000 in 1880-1? Why is this? We find, from 1840-1 to 1853-4, the average is about £50,000,000; the Russian War sent it up in 1854-5 to £65,000,000, in 1855-6 to £88,000,000; but we find, *after the war*, that the expenditure, instead of going back to the £50,000,000, kept at an average of over £70,000,000, and now has reached £80,000,000. The chief points of increase are the Civil Service and the Military and Naval Services. The average rate of taxation per head of the population was 39s. 6d. in 1853, in 1861 42s. 8d., in 1865 45s., in 1870 44s. 4d., in 1875 45s. 10d., and in 1880 49s. 3d.—9s. 9d., nearly "one-

fourth," more per head than in 1853; whereas the cost per head on account of the increase of population should be less, instead of more.

In the "Balance-sheet of the World," Mr. Mulhall says that "taxation, including national and local, has risen 20 per cent. in the last ten years, viz.:—

	Amount.		Ratio per Inhabitant.	
	1870.	1880.	1870.	1880.
National ..	£75,434,000 ..	£81,265,000 ..	£2 8 4 ..	£2 7 1
Local ..	39,090,000 ..	56,130,000 ..	1 5 1 ..	1 12 6
Total ..	£114,524,000	£137,395,000	£3 13 5	£3 19 7

From the above it appears that taxation is now 6s. per inhabitant more than in 1870; that is, 8 per cent. heavier. But such a mode of estimating the incidence of taxation would be most fallacious, since the ability to support such burthen depends on the industry and income of each nation. Judged in this manner, we find as follows:—

	Taxes compared with Industry.		Taxes compared with Earnings.	
	1870.	1880.	1870.	1880.
Great Britain ..	6·73 ..	6·80 ..	11·92 ..	11·88
Europe	9·14 ..	9·96 ..	13·17 ..	15·39
Difference ..	2·41	3·16	1·95	3·51

Ten years ago, the average incidence of taxation for Europe, compared with earnings, was 17 per cent. heavier than in Great Britain; at present the relative difference is 30 per cent. Our continental neighbours are overweighted with their warlike armaments, which absorb more than 3 per cent. of the people's earnings, which is relatively one-third more than in the United Kingdom.

The National Debt is decreasing in this country. It was £798,000,000 in 1870, and £774,000,000 in 1880, or £24,000,000 less; but—and it is here that the times demand economy—the amount of our municipal and other local debts has increased terribly, disgracefully.:—

	1870.	1880.
Local Debts	£84,000,000 ..	£140,000,000
Ratio per Inhabitant ..	£2 13 4 ..	£4 1 3

A yearly expenditure by the nation for its government (besides gas-rates, water-rates, and every other rate for which service is directly rendered) of nearly £140,000,000. The advance, you will perceive, is in the "local" rates, which are growing at an enormous rate. The expenditure, but more especially the "getting into debt" by the local government boards, needs the greatest vigilance by every ratepayer. Am I justified in asking the people to study "economy"? Mr.

Gladstone, in his Budget speech, April 4, 1881, took the same view. He took four periods, and the three elements of population, revenue, and expenditure. From 1842 to 1858 (he said), the population, owing to the famine in Ireland, only increased one-third per cent.; the revenue increased at the rate of $1\frac{3}{4}$ per cent. per annum, but the expenditure increased $2\frac{1}{2}$ per cent. per annum. From 1859 to 1873, the population increased 1 per cent., the revenue increased 3 per cent., the expenditure increased $1\frac{1}{3}$ per cent. per annum. From 1874 to 1877, the population still increasing at 1 per cent. per annum, the revenue increased $1\frac{1}{2}$ per cent. per annum, but *the expenditure increased* $3\frac{1}{4}$ *per cent. per annum.* This period, 1874 to 1877, Mr. Gladstone considers, "represents what may be called the setting sun of our prosperity, the last year of rather fading brilliancy as regards economical results." Taking the two last years, 1878 and 1879—that is, down to 1880—the population still increasing at 1 per cent. per annum, the revenue went back at the rate of one-half per cent., and the expenditure increased a great deal faster than our revenue in the first of these periods. During the last two years our revenue has actually gone back, while our expenditure has increased $2\frac{1}{6}$ per cent.; and for 1881-2, Mr. Gladstone said he was obliged to ask for a further augmentation. Mr. Gladstone then alluded to the "Income Tax" as the easiest and simplest way of illustrating the growth or decline of the wealth of the kingdom. A penny in the £ Income Tax in 1841-2 produced £772,000. No change took place in the area or circuit within which the tax was applied for ten years, and in 1852-3 the £772,000 had only grown to £810,000; but between 1852 and 1877-8 the penny in the Income Tax, after taking into account all changes in the way of allowances or remissions, so as to make the comparison approximately precise, had grown from £810,000 to £1,990,000. That includes Ireland, all additions, and all remissions. You will please to take into account that this tax for 1877-8 and for 1881-2 goes upon the supposition that the basis of the tax remains, and all changes are taken together. Well, we have this startling fact to make us "pause, mark, and inwardly digest,—that having grown to £1,990,000 in 1877-8, in 1881-2 the penny in the Income Tax, which most strictly represents not the general condition of the people, but of the wealthier classes of the country, *has gone back for the first time since it was imposed.* The penny in the £ Income Tax, that realized £1,990,000 in 1877-8, estimated on the same basis, is calculated only to realize £1,943,000 for the year 1881-2. Yet our expenditure is increasing. For 1880-1 it was £83,108,000; for 1881-2 Mr. Gladstone estimates it at £84,705,000. How is this? Why is the charge for the Army increased from £15,588,000 in 1880-1 to £16,509,000

in 1881-2—"nearly £1,000,000 sterling increase"? Then there is the increase of £160,000—"the normal growth," as Mr. Gladstone called it, of the Education Vote.

The whole system of national expenditure requires overhauling by a financial committee, every penny of outlay being carefully scrutinized, and the people satisfied that "they are getting value for the money" taken from them. "Public contentment as to taxation is the foundation of social order; and the surest guarantee for the depth and permanence of that contentment is the conviction brought home to every man's mind, that he himself helps to determine the expenditure which he has to pay" (BONAMY PRICE). The people will "not be content" to pay increased taxes; they will want to know why the expenditure has reached such a large sum. This is certain, that local taxation is not likely to be less, with power to raise "local loans," which are increasing, and amounted last year to upwards of £30,000,000. Local expenses, the military and naval expenses, the "extravagant" educational expenditure, want instant revision and checking. Will the people ever learn that it may be accepted as an axiom that a system by which the Imperial Exchequer provides funds for local authorities to spend, is always the most extravagant and costly to the ratepayers? Examine this educational item: in 1865 the grant per head for children was 9s. 4d.; in 1870, 10s. 1d.; in 1875, 13s. 3d.; and in 1880, 15s. 6d. Take the number of men voted yearly for the Army for the last fifteen years: in 1865 it was 78,410; in 1870, 84,361; in 1875, 92,386; and 1880, 108,287. Until we have "direct taxation," we shall continue this fatal policy. People pay on tea, coffee, tobacco, and beer without thinking; but if they only knew what is deducted out of their weekly earnings by these four taxes alone, they would soon want to know the reason why. It has surprised me that they so readily pay the Government "one halfpenny" with every pot of beer they drink. If statesmen are wise, they will be getting ready for the day when the masses will demand a serious reduction in the present extravagant expenditure of this country, both imperially and locally. It is the duty of every "taxed person" to demand that steps be at once taken to "diminish the national expenditure;" it is the duty of every "taxed person" to know what he pays towards the expenses incurred for the government of his country; it is the duty of every man to voluntarily and willingly pay his just share, and to be willing to pay what he has to pay, by an open, honest method, that will take as little out of the pocket of each individual as is compatible with the efficiency of the public service; and for each to contribute his share in that willing spirit, that the cost of collecting the revenue be reduced to its minimum.

INDIVIDUAL SUCCESS.

"Fortune is the drudge and servitor
Of those who act, and ask not benison
From her capricious hand; while they alone
Are her dull slaves who let the deed go by,
And think on bended knees to win her smiles."

Are there causes of success and failure? Can money be made by earning it, by saving it, by wisely investing it? Yes; there is no higher mission than to teach men, all men, the practical lesson that if they want anything in this world, they must learn how to earn it. To acquire excellence in anything, you must work—work persistently, unceasingly. There is an idea general enough that talent is best left alone to sink or swim, but I fear many sink who might be worth the saving. The soul may perish from a sheer lack of a spoonful of soup in the mouth. Look at the vast mass of people in every country under the sun, century after century, struggling to live; born, as it were, only to know the pangs of life and death, and of nothing more. Methinks that human life is, after all, like a human body with a fair and smiling face, but all the limbs ulcered and cramped and racked with pain. No surgery of statecraft has ever known how to keep the fair head erect, yet give the trunk and the limbs health. Why? Because the attempt has never been made earnestly; for the nation could, as easily as the individual, weather all difficulties if they had pluck and patience enough to overcome them. But it is of the utmost importance that men should see that the fault is in themselves, and that our teachers should perceive that what is wanted is a motive-power to draw out what is good in people; for there is a great deal more good than is generally supposed. Why is it that men remain pigmies when they might be giants? "Man, do thy own work, and know thyself" (Plato). To make money, to be successful, it must be taught as a fact that to achieve success in any calling, every man, each in his place, must put his hand to the work as if he was working for his very life, and from a sense of honour, built upon self-reliance and self-help. To succeed, one must earnestly strive as a trader, not for the mere gain,—as a doctor, not for the fees, as a statesman, not

for popularity,—but from the sincere desire and firm resolution to succeed in doing your duty in your calling; earnestly striving at the same time for the welfare of others. Is there a more miserable object than the man who has become so absorbed in the desire for wealth, so selfish in his views, that he is the slave of his own selfish desires, thereby depriving himself of all the higher pleasures his nature is capable of? A real man will toil amid obstacles, struggle against impediments, allow neither wrath nor despair to slacken his energy—determined to succeed. In fighting against a false system, or in denouncing the blighting curse of an unsound practice, one needs the tenacity and will of Hercules to cleanse the Augean stable. Such men are upheld with their disgust at the folly, as well as foulness, of any immoral system that, to their clear minds, is as loathing as it is unnecessary,—upheld because their efforts are not for the mere pursuit of gain, but a desire for the triumph of truth and virtue. "A wise man should have money in his head, but not in his heart" (SWIFT). Talents are like vigour of body,—they demand to be used. You need not desire to be rich, but all need to live; so all should be able to earn a competence, and be prudent enough to provide for a rainy day. The sluggish brook, gathering its stagnant waters from miry swamps and malarious quagmires, cannot be blamed because it is not a strong, sparkling, enterprising river, giving joy wheresoever it flows. To improve the brook, we must remove the cause of its sluggishness, and give vitality to its waters. So, to get men from being the unstable, dawdling, shallow-minded beings they are, we must give them an interest in life that will move within them the spirit to be better, and have nobler objects and aims in life, than heretofore. Once set the ball rolling, who can say when it will stop? Men will be led to follow their fellows when they see the beneficial effect of continuous, persistent effort in the direction for good; and the world will not be so weary, when men see that to all, by the laws of God, is vouchsafed a consummation of desire even in this world; that reward is not withheld here below, if the proper means be taken to realize the same. Oh, for the time when the majority will not have to stand without, and look through barred gateways at the light and warmth which shines for others, but never for them!

There is no surer element to future favour, to success, than to be able to perceive when business is being carried on according to new principles. The mass lack the courage to plunge boldly into the new current of things, and so lose the chance of being helped by the tide which would carry them on to success and fortune, and by foolishly fighting against it they lose the little hold on fortune they had obtained. Men will not learn from experience that "the infinitesimally

small plays in the evolution of humanity the same latent and incesant part as in the evolution of nature" (Ribot). Nature attains great results by what seem insignificant means. Our bodily and mental capacities are developed and enhanced by practice and stern necessity, and the difficulties arising from new rivalries are necessary to rescue us from the torpidity and stagnation that follow from our being mere creatures of routine; the growth of habit making the reflective man descend to the instinctive savage or animal. It is not sufficiently considered to what a remarkable degree the organic and mental faculties may be developed, and also how largely they may be influenced both in degree and direction by the circumstances and conditions of our surroundings in life. "As the eagle, by soaring in free air and among rocky heights, adapts itself to soar, so the mole fits itself by habit for the loose surface earth on which it lives, and the seal for its element, the sea" (Goethe).* Man is a higher order of being, and it has not been sufficiently impressed upon him how necessary it is to ponder the exigencies of his time—to go about the daily life with his eyes open, observing carefully and then thinking over what he has observed. Trained judiciously, he has power within him akin to the marvellous, an intuition of judgment we briefly call "common sense." Started in the world, and told to read all he sees by certain premises stamped upon his brains, as the infallible chart for him to guide his life by, we see him blundering on, unable to read rightly or see correctly; hence, if able to think, his reasoning may be right, but his conclusions wrong, being built upon incorrect data.

The middle class of our day have a lesson to learn. A new power is in their midst. They must look their opponent in the face, recognize his strength, and, to arrive at a correct conclusion, start from a correct premiss—viz., that the real point is, who can supply at the least profit? which is the cheaper process of distribution to the consumer? By this test the question will ultimately have to be settled, and from this point I advise all traders to view the question as it affects themselves, as opposed to the Stores. It is useless arguing that the skilled trader has a superior professional knowledge; that he has a costly shop to keep, skilled assistants to pay. Time is certain to force buyers to the cheapest market; and it must be plainly perceived at once by the trading class that though the trader who asks a larger profit than his neighbour may not be a rogue, he is undoubtedly a fool, as thereby he is himself destroying his prestige, cutting away the base upon which all permanent commercial structures must rest—is killing the goose which lays the eggs. A fatal error is being churlish to occasional buyers, more especially if you know that the buyer goes to the Stores. It may be unpalatable—so is physic; but it is necessary for the health

of the body; and the self-restraint and discipline is beneficial that forces us to be equally obliging and willing to serve the casual customer, who is making use of us, as the regular supporter. Attract him by selling articles as good, at prices as reasonable, with prompt and civil attention, and a disposition to study and oblige; and so be superior to the Stores. There is no other way to conquer in the struggle. You may make matters worse if you drive customers away by churlishly serving, or refusing to accommodate, those who merely use you for their own convenience.

The next point is to frankly state that the prices of all articles sold shall not exceed the prices at the Stores; but if goods are sold at Store prices, they must be sold upon the Store conditions—ready money, strictly cash, to be paid when the order is given. *No* booking whatever; no expecting you to send the goods home, and buyer promising to call and pay. This is *credit*. Having to be booked, the law considers it a debt, and liable to all the expenses and risks incidental to debtors. A debt is not a mortgage or a loan with good security; it is a loan at great risk, with all the worry, risk, and trouble incidental to every business. There are many businesses where it is wiser to buy of a tradesman with an established reputation, where the great advantage of the skilled tradesman's professional knowledge is of greater consequence than price. After great care and trouble, and with absolute accuracy, a skilled optician or surgical instrument maker is able to supply you with the very thing you require; and to obtain these articles, furnished on the reputation of a man who has a character to lose, you must be prepared to pay. The same argument applies to nearly everything. You may get your servants' liveries or your own clothing lower in price, but if they lack style or do not fit, they are dearer in reality than the higher priced articles; but with the necessaries of life, and numberless simple articles, it is as well only to consider who will supply you at the lower price. The greatest grievance the legitimate trader has against the public is their unwillingness to pay cash when they order of him, although they do so without the slightest demur at the various Stores.

The Stores have proved that by the cash system goods can be sold at a low rate of profit, and that the rapid turn-over really gives a much larger net profit than the ordinary trader obtains. It is much to the credit of the Civil Servants and other promoters of associations that they have proved that a cash trade can be done; that such a trade can thrive and grow, can pay fair salaries to its servants, build or rent vast premises, pay fair interest on capital, and charge the public an average moderate rate of profit upon all articles. The Legislature has

no right to interfere, except to remove any unfair advantage one trader may have over another. Tradesmen must rely upon themselves. To expect help from the Legislature is simply absurd. What they have to do is to alter their system, reduce the costs and risks incidental to their mode of doing business, and think more of the consumers' interest, by having fewer "middle-men," and bringing producer and consumer nearer together. As to fearing the Stores, it is one of the most extraordinary delusions that ever entered the mind of a practical body of men. A few have held their ground, but others have most signally failed; and new companies are not likely to start, now that several of our large concerns are turned into Stores, selling as cheap for cash, with the attention and civility of our ordinary tradesmen. My advice to the trading class is, "Go thou and do likewise;" if you allow the Stores to undersell you, your occupation will soon be gone. The competition for custom—in other words, the struggle for existence—is so keen, that unless you can fulfil the needs of your customer, supply him as others can, you must choose another calling. To succeed now, the excellence of your goods and the lowness of your prices must compare favourably with the goods and prices of others. Dismiss from your mind the idea that the public are hard; the public have a right to go where they can best be served. You, I presume, go where you can buy to the best advantage; and we all take advantage, without scruple, of our particular trade knowledge to supply our wants from those who serve us best, and pay the distributor for his trouble as little as possible. Who pays retail prices if he can supply himself at wholesale? The great fallacy is, regarding the Stores as if they had been started to injure distributors; whereas their object is to benefit consumers. Every man who sells at less price than his fellow in any trade might be accused, like the Stores, of injuring the distributor; although, so far as was consistent with his doing so, letting all others live as well. There can be no doubt that the sting of the whole matter lies in the *success* of the new system; and it is to be hoped that the public generally will exercise forbearance with the retail traders whilst they pass through the transition stage, and give them time to realize as a fact that the unquestionable success of the new method of transacting the distributing business of the country, unless it revolutionize, must eventually ruin their own. Men will buy in the cheapest market; the instinct of self-interest makes every man who has money to spend prefer buying an article for 1s. to paying 1s. 6d. for it. This principle underlies all trade—that is, all ready-money trade. The real struggle is between system and system, between cash and credit, between thoughtful, careful, thrifty buying with honest intent to pay, and reckless, thoughtless, improvident purchasing, alike devoid of principle

and honesty. Success to the modern system, which is but a recurrence to earlier, simpler, fairer, and sounder principles of trading, which later, more complex, and more perilous practices of trading had obscured. The credit system is rotten at the core, and has grown to such an extent, in its risks, its abuses, its reckles-ness, and its injustice, that common sense and common patience at length revolted from its tyranny. Can it be wondered at that the public, or that part of it that means paying for what it buys, are so willing to accept a better and fairer system, and are ready everywhere to cast off submission to the old prescription, and revolt against the injustice inflicted on them by a system which made the honest, ready-money customer pay for the bad debts of the dishonest spendthrifts? The puzzle to my mind is, that so many traders still refuse to open their eyes, will still charge the ready-money buyer the credit prices, still refuse to give discount to the ready-money buyer, although they give it to the credit customer; then, when too late, they cry out because the ready-money buyer goes elsewhere directly the chance is offered in the form of a cheaper supplying medium for ready money.

Common sense indicates plainly the remedy to all traders who find their business in peril. You are likely to fail because of the success of a new rival. How is this? Every trader tries to get as much profit as he can; all have the same object, to make a profit for themselves after paying all expenses. If by the old system so many are perishing, so many fail to see their way any longer to success, and if it be, as I have indicated, because the times are against the system of those who fail (and this may be accepted as an axiom at all times), and if this is more strikingly apparent because of the introduction of a new system, which is a great success, why not at once adopt it? I say, unhesitatingly, that the credit system is doomed; it cannot stand against the cash system, now the public see what they had to pay for credit; so cease to waste time objecting to the causes of this change, and adapt your practice to the altered state of things, and the true issue of the conflict will be the reform, not the ruin, of the "retailers'" trade, Be men, face your destiny; keep your customers, still accepting the proud position of being one of the "middle class" of England; rise above prejudice; turn your shops into stores; make cash the rule, credit the exception, instead of trying to live on under altered conditions, by the old exploded system of making credit the rule and cash the exception. The public do not care whether a business is carried on by Government servants or not, whether it be managed by an individual or a company. Customers want in 1883 to be assured, as a very condition of their dealing, that it is possible for the tradesman they employ to give them the best goods on the lowest terms, and

that ready-money buyers need no longer be mulcted for bribes, bad debts, and losses consequent on giving trust or keeping accounts for people who defer their payments. The credit system will linger yet for a long time; traders, if wise, will shorten this period, and, while snatching their own interests from peril, confer a vast benefit on society at large. It will be a great step in the progress of humanity, a system of trading that will make the mass of customers live "before the world" instead of "behind the world," and conduce to the incalculable increase both of healthy trades and of individual peace of mind. This essay is founded partly on one by William Lewery Blackley, Rector of North Waltham, in the *Contemporary Review* for February, 1879—the most sensible article I have read on the subject—and I shall be well repaid if it makes any trader reflect, and, seeing that the fault is in the old system, at once resolve to exchange it for the new, a good instead of a bad system, which will not only save traders, but regain trade. If they will cling to the wrong system, ruin is inevitable, and they will have no right to complain, since, with the issue put clearly before them, they have preferred to immolate their interests on the altar of their prejudices. Before deciding, remember I am suggesting no new theory, but only asking you to do what has been done already, for those who have adopted the new system have been so successful that their efforts should encourage and cheer on all to attempt the same reformation. In 1862 I began the cash system long before stores were thought of, and have gradually developed the shop into the store. The freedom from the anxiety of book debts is as being transferred from hell to heaven, whilst the uncertainty of trade is removed by the sale of numerous articles; as when one department is slack, the others are brisk, and the sales in one department lead to sales in others. The men who have no trade are no more justified in saying, "Success is impossible," than a person who never entered the water has to assure Captain Webb that no human being can swim.

Progress cannot be impeded. Should the electric light prove a success, no consideration for the losses of gas companies will prevent its adoption. The success of the Stores will hurt, nay, exterminate those traders who refuse to go with the times; but the progress of the Stores can no more be stopped to protect the trading class, than the railways be put aside to allow the old stage-coaches to be restored. Owing to the strikes and other causes, prices got higher; people with fixed incomes saw no other remedy than to reduce the cost of the necessaries of life. The majority being unable to increase their means, it was inevitable that they should all co-operate, or buy of those who did, so as to purchase what they required at moderate

prices. The cash system will do away with many middle-men, who have only been necessary because they gave credit to a class the manufacturer would not credit, or gave the time by the old system of credit the retailers wanted. A reduction in prices of the necessaries of life will tend to reduce the price of labour, and lead to returning trade and a revival of prosperity.

Unfortunately, as Max Müller observes, "universal custom is more powerful than books, however sacred; for books are read, but customs are followed." Still, I do most earnestly ask the trading class to meet the wants of the times; reduce prices with cash payments; strive in every way to regain the confidence of the public. Reduced prices mean a greater consumption, and the consequently increased demand benefits the workers of all classes. The change means really that the middle class, the distributing class, must do more, and do that more thoughtfully and skilfully, than heretofore. Individuals, as nations, dare not be deaf to the warning of Goethe—"Thou must rise or fall, must conquer and subjugate, or serve and surrender; must suffer or triumph, must be anvil or hammer." "No finality" must be our motto; the world will progress whether we wish it or not. In days gone by the defence of the realm was left to the public spirit of monarchs, nobles, and large proprietors; now it is dependent on a government supported by public confidence. The maintenance and increase of our national prosperity have depended solely on the stimulus of private enterprise. The law, whether wisely or not, has interfered much, and imposed regulations and restrictions upon the millowner, shipowner, and employer of labour. This has given our foreign competitors a great advantage over us; and to overcome the new difficulty, a new power is springing up, private enterprise is receiving a great check. Where the individual developed a trade in a single article or articles of a single kind, public companies worked by managers and servants seem destined to take the place of the men who worked hard for their private gain. The expenses and risks of business have been steadily increasing, and the only plan to make a trade pay is to sell a multitude of articles. The times require broader views. We have grown beyond the shopkeeper who thinks it right to have his contra account with every shopkeeper he deals with, who tells you he believes in living and letting live, &c. Men of greater enterprise are needed. To succeed, you must understand business, money, bills of exchange, and their power if properly used. The method of trade will be that, whether we like it or not, which affords facilities for the raising of the greatest amount by all, and gives to each as large a proportion to satisfy the wants of each as the exigencies of production will allow. As our forefathers passed from feudalism to

the modern era, so are we unconsciously passing from this to another, —passing from the era based upon the idea that individual enterprise is the best for the national wealth, and that competition will determine the share of each individual. That idea has been wonderfully successful. The most suitable centres were sought out for different manufactures, and the population drawn to that quarter where their labour would be most productive. The same force broke down the restrictions which had fettered trade, and compelled men to adopt more rapid methods of doing their work. The era of private enterprise has increased production, by developing the resources of each locality, and by introducing new methods of manufacture; and there are many directions in which it has still a great part to play. But it is as well for men to see that private enterprise is not the force of the future; nor does it give us the best means of *carrying on* our industry at the point which it has already reached. The advantages of the last fifty years have been too much regarded from the standpoint of the individual who competes, than the body politic as a whole. Doubtless, in many cases the nation was the gainer by the energy of those who pushed their businesses so as to make fortunes for their families; but we have too many sleeping partners, and the loss to society from their inaction and idleness must be thought of, as well as the gain from the enterprise of the founder; the permanent charge on the nation which is involved in supporting their posterity, is such a terribly heavy price to pay for the services of the great commanders, or the exceptional enterprise of forgotten capitalists. Nor is such a system the best for making as much as we might or should of the national resources. The basis of the future will be "organization;" individuals will associate together more, and through the agency of these organizations more will be attempted and accomplished for the common good than could be effected by isolated efforts. The Post Office is under the Government; the Telegraph Companies have been taken over by the State. The railways will be in the hands of the Government; the Education Department will gradually eliminate all private schools. There must be "national notes" issued by the Government. All monopolies must be abolished. All positions must be open to the men who have the energy and capacity to fill them. *Government offices must cease to be sinecures; the nation must learn the lesson taught by its servants. We must have "value for our money."* It is only by the people acting together that they can supply each other with the light, water, public parks, gymnasiums, baths, wash-houses, &c., that our crowded populations require. Birmingham, Manchester, Edinburgh, have taken the lead, and we see in many directions how private enterprise and competition are giving way to organization.

But it is when we come to the distributing class, the retail shopkeeper, that we see that private enterprise is doomed. The loss by the present method of distribution is enormous. Trades vie with trades in their efforts to catch the public taste; and in those trades affected by fashion, where the demand is so capricious, there is plenty of scope for the individual judgment and private enterprise; but in catering for the wants of the masses, for all the necessaries of life, for all articles that only need economical distribution by thoughtful organization, associations must supersede the individual, for they do their trade on a true principle—ready money—and avoid that frightful waste of our time, advertising on the one hand or travelling on the other, with credit, "dating on," book debts, and bad debts. The extension of the new system has been most rapid. The growth of association among traders and of co-operative "distributive" societies alike points towards the limitation of private enterprise in retail trade, and indicates the development of organization in opposition to competition. The probable advantages are that the price to the consumer will, as organization advances, bear an increasingly closer relation to the cost of production; the more accurate calculation, which would be possible, of the probable demand would render production much less variable and uncertain; the lessened dependence on the services of middle-men would render distribution less expensive; and travelling for orders and advertising would cease.

Do not imagine that the two systems will work together; whichever serves the public best will be the victor. As the old feudal and guild organizations disappeared before the era of competition, so, if it be a better means of supplying the public wants, will the new organization spring up, and the dominance of competition wane in its turn. For the individual these transitions are serious, ruinous; for the public generally, of benefit, as a necessity of future life, a sign of continued growth. We want a new basis for commercial success, and if organization and associations are more economical for home industry, they will be equally so for the foreign trade. We have needed for some time past better organization to compete with our neighbours. The future is for that nation that is willing to be taught how best to study the wants of each, and most economically satisfy the same, and, without limiting the liberty or crushing the individuality of the individual, so arranging for a greater and better division of the nation's wealth.

NATIONAL PROSPERITY.

"It is not for man to rest in absolute contentment. He is born to hopes and aspirations, as the sparks fly upward."—SOUTHEY.

"The future does not come before to meet us, but comes streaming up from over our heads."—RABEL.

THE discovery that labour is the source of all wealth has been attributed to Adam Smith, but in the Life of Paterson we have the following extract from a tract first published in the year 1690 (Adam Smith was born in 1723), and republished in the "Harleian Miscellany" half a century later. The work appeared in the name of Sir Dalby Thomas, and it was, doubtless, substantially the production of that experienced merchant; but the author thinks Paterson contributed largely to its pages, for it is his style of thought. After an elaborate survey of the sources of all national wealth, the writer concludes, that the "true, original, and everlasting source of wealth is nothing else but labour; and that if all the laborious people of the kingdom left working, to live upon the natural produce of it, distributed among them in an equal proportion by way of charity, as parish poor and beggars are supported, it would not be long before the nation became necessitous, naked, and starving, and, consequently, land and houses worth nothing." Industry, enterprise, and thrift are the three great factors in making a nation wealthy. Nations, like individuals, may find wealth a curse instead of a blessing, if not earned in the legitimate way, as instanced after the Franco-German War. The load France had to carry roused all her energy and thrift; ignominiously beaten on the one hand, she came out of the industrial and financial ordeal most gloriously; and the wealth has found itself wings, and only seems to have impoverished the victor. It is simple enough. You have money; you pay no attention to production; the money slowly, but surely, passes from your hands to another's; the money remains, but you, in living upon it, are failing to produce, and soon will cease to have money or money's worth. Your opponent has been deprived of his money, but he diligently, assiduously goes on accumulating *money's worth*—things that will exchange for and bring him back the money taken from him. So nations and individuals get wealth, producing by their

labour and skill money's worth, and taking care of the money they get in exchange; by never losing sight of the fact that plenty, splendour, and grandeur in the nation can have no other fountain but wisdom, industry, and good conduct; that the ornaments and delights of life are the true issues of virtue, valour, and the elevation of the mind, as well as the just reward of industry, plenty, and contentment; and that progress of every kind must depend upon wisdom, industry, thrift, good conduct, as poverty, disgrace, contempt of us by our fellows, generally spring from folly, idleness, and vice.

How pleasant it is when trade is good, all forms of production in profitable activity, and orders flowing in upon manufacturers, causing the "sanguine" to be tempted to add to their capacities of production! Labour being fully employed, the wages fund soon begins to appear in the Excise returns; giving satisfaction to the Chancellor of the Exchequer, but the reverse to all people with "fixed" incomes; as good times to producers mean enhanced prices for all commodities, a reduction in the purchasing power, and a limiting of the enjoyments of this life to all with a stationary income. The result, however, is the benefit of the masses. It is a clear gain to the nation, as a whole, when all its members are fully employed; though it necessarily puts to a disadvantage those whose incomes are inelastic. Bad trade means just the reverse. Orders are scarce; production diminishes; employment is limited; the revenue is a source of anxiety; a blight affects every industry; prices fall; the "fixed" income class get more for their money; the few benefit, but the mass suffer, during periods of depression. For the national prosperity it has become essential that the population be engaged more profitably. They must produce more, so as to be able to consume more; they must increase their supply of produce, so as to get the "money" in exchange that will give them the right to "demand" more for consumption. *All* must be taught this rigid, inexorable law. Production must precede consumption. They must, one and all, do a something, produce a something, that entitles them to "money" in exchange with which to buy what they want. Our progress depends upon the development of our manufactures; but to go on multiplying the quantity of our woven stuffs of cotton and of wool will be madness, unless we see the absolute necessity of producing every article at the minimum of cost, by taking advantage of every help the experience of the past has gained for us; above all, recognizing the fact that our existence as a nation depends on our being able to supply the wants of others,—a position that can only be held by cheapness of production. By cheapness is not intended "low-priced" articles, but the thorough understanding by masters and men of their work; all earnest, thoughtful, and attentive to all details; the

zealous co-operation of all concerned in any and every branch of manufactures, so as to secure the maximum of product at the minimum of cost. Another important point is, to divide our powers,—some directing their efforts to works of utility, others to works of art, to satisfy the highest tastes; although I fail to see why, in the commonest products, beauty of form, beauty of properties, and the nearest approach to beauty and harmony of colour that the price will admit of, should not be considered.

"The survival of the fittest" is the inexorable law of nature. We should educate our people, more especially the working class, to strive after producing the most beautiful, the most perfect work within their power. The time has come when it is imperative that we know our strength, and wisely husband all the means at our disposal, and enlarge those means to the very utmost, for the struggle for life, for the life of the nation,—a struggle that is certain to beset our future path. There can be no "excellence" in anything unless our heart and soul are in the work. The material, however common it may be, will be better, and worth more money in the market—at the very least, will be sure of a quicker and more regular sale—if *well made*, than if carelessly made. Excellence, combined with cheapness, must be our study; we shall then be able to defy the world; whereas if we continue careless, only thinking of making things that, *looking cheap*, sell well at first, but *not* being really *cheap*, do not bring us regular orders, our day has gone—others more worthy will have to fill our place. We want "true work"—all articles to be what they profess to be; we want the people trained to see the mistaken policy, for any continuous trade, of "shams;" we want them to see the value of a reputation without blemish; we want them to see that "impostures" react upon those who trade trickily. No one has confidence in such men, will not trust them, and refuse to give orders to or buy from them. We want the "morality" of the nation to be so raised, that all such plausible, scheming tricksters will be treated with the contempt such degraded natures deserve; we want the people "honest" enough to express their disgust at every kind of chicanery, to have the moral courage to speak out, and call a cheat a cheat. The nation cannot exist, cannot hold its place in the world by the efforts of the few; it needs the concentrated enterprise of the many, the desire for improvement to be stirred, and to manifest itself in the daily works of all. And we shall see an improvement in the product when brain and hand work together. The task of the future may be more arduous, but it need not be any the less successful than in the past. Nor is it more than men's energies are equal to; it simply needs more earnestness, greater thoroughness; being a benefit,

in fact, to every one, for, increasing his mental, it will double the value of his physical labour. "Improvement in the work" will add to the market value of the work, and thereby to his own comforts and the enjoyments of his family. This is the way to make progress, to insure success individually and nationally. It is useless to expect miracles; we must adopt the right means, and be resolved to conquer all obstacles, to surmount all difficulties, to achieve the end in view. To insure regularity of trade, we must make only durable, trustworthy goods—goods that experience will prove to be the cheapest, as, wearing better and lasting longer, they are really the cheapest, the best value to be had for the money. But "cheapness of production" must be considered. For instance, we are much interested in the iron trade, which in August, 1879, is reviving, because our prices are lower now than in America. But the manufacturers say, prices leave no margin of profit; and it is said that there are some descriptions of iron and steel manufactures in which England cannot compete with the United States. Now, the reason is so simple, it seems nearly incredible that this point in favour of the American method should have existed for a day after we had found it out. It is similar to the superior method of the Swiss in making their watches, over the English method, which Sir John Bennett worked so hard to remove by his lectures, &c. American workshops, it is said, can turn out locomotives at 25 per cent. below English prices, by adhering to certain fixed designs, thus avoiding multiplicity of patterns. "Why not have all locomotives, all railway rolling stock, one pattern, if it be so much cheaper?" The style of carriages is quite immaterial; for on the American railways there are only three or four distinct types of locomotives, and in each of these types there is but little variation from the fixed standard. By this means the leading shops in Philadelphia and in Rhode Island send out annually hundreds of engines, of which all the parts are perfect and interchangeable, the exact duplicates of each other. You may say, this is against your theory of excellence and beauty; and that it keeps man to the level of an automaton, discouraging originality, &c. But I must remind you, two ideals were submitted—works of art and works of utility; but in the latter striving after all the excellence and beauty possible at a *given price*. Men *must think* more. If they find themselves beaten, because of a *more economical* method, it is wise to beat their rival with his own weapon. The American plan is much more *economical* than the English method of building its locomotives on innumerably different models, and seemingly for no other reason than to bring out innovations of design upon the smallest possible pretext. An-

other error in the iron trade was being overcome by the advent of Sir H. Bessemer's great invention, steel rails. The opposition ought to have stimulated the Welsh iron-makers to improve the quality of their goods in every possible way; instead of which, they produced an inferior kind of iron, both bar and rails, which necessarily and deservedly suffered in competition with Bessemer steel. As "Iron" suggested in the *Times* of August 19th, 1879, "a large and profitable trade is still open for a superior quality of bar iron; and one is hardly permitted to doubt that if half the science which had been so successfully applied to the manufacture of steel had been devoted to the manufacture of bar iron, the position of this latter important industry in South Wales would have been widely different to what it has been during the past five or six years." Times of stagnation are the opportunities offered by nature for wise men to reform their ways. The morn seems breaking; may we have learnt from the dark night from which we are emerging, how to keep the light of day, the sunshine of prosperity, round about us! If this be so, the ordeal will not have been borne in vain; for if the right means be adopted, there is no reason whatever why activity and prosperity should not again exist in all our workshops and places of business.

Adam Smith says, in the "Wealth of Nations," Book iv., chap. iii., p. 750: "If the exchangeable value of the annual produce exceeds that of the annual consumption, the capital of the society must annually increase in proportion to the excess. The society in this case lives within its revenue, and what is annually saved out of its revenue is naturally added to its capital, and employed so as to increase still further the annual produce. If the exchangeable value of the annual produce, on the contrary, falls short of the annual consumption, the capital of the society must annually decay in proportion to this deficiency. The expenses of the society in this case exceed its revenue, and necessarily encroach upon its capital; its capital, therefore, must necessarily decay, and together with it the exchangeable value of the annual products of its industry." A society is but an agglomeration of individuals; let us consider it as one huge family, and realize the argument of Adam Smith as applying personally to ourselves individually. There is no getting over the fact that a nation can only prosper, can only exist, by the individuals of which it is composed producing more than they consume, and wisely employing their capital upon works of utility and healthy recuperation. Professor Cairns, in his work on the Slave-power, written while the Confederacy was still erect and vigorous, demonstrated the economical mischief of the system; and it is much to the credit of Mr. Davis that in 1879 he had the moral courage to admit that the abolition of slavery

has been economically advantageous to the South, although he was foremost with the Southerners in vehemently denouncing it as involving their ruin. The sufferings of the planters through the Civil War are well-nigh forgotten; but the South, under the system of free labour, paid for at market rates, according to nature's law of supply and demand, can grow cotton and sugar to greater advantage than under the slave system, and can open up new industries, which would never have been thought of—in fact, could never have been attempted —with slave labour; so the great blot bore its own punishment, as all infringements of God's laws do. Men have a right to be free of their fellow-men, and also a right to take their labour where it is most appreciated, and will be best paid for. On the other hand, the employers of labour have an equal right to obtain labour at its market price, regulated by supply and demand, and free of all State control or interference; to open as early as they like, and close when they like; subject to visits by inspectors to see that there are proper means of ventilation and sanitation, and that the machinery is watched for the prevention of accidents; but free from those mistaken motives of philanthropy which attempt to fix the hours of labour, which should be left to the common sense of the employer and employed to regulate for themselves. The anomaly of the nation's industry paralyzed for want of orders—as the retailers think, because of the want of money, although at the same time money is in such abundance that it can be borrowed at 1 per cent. or 1½ per cent.—is really explainable by a want of production, by a want of a scarcity of goods asking for the money in exchange. People fail to see that the money is but the medium, and will be forthcoming, and is only to be had when the articles are made and ready to be exchanged for the money. The money is useless without the commodity. To get the money, then, make the commodity, for and by which the money can be had in exchange.

People are still frightened by that bugbear, "over-production"——one of the greatest fallacies that ever emanated from the human brain. I deny positively that there can be such a thing as over-production—that is, as a national evil. There may be loss to individuals if they produce more of any particular commodity than is required—that is, to sell at a profit; goods can always be disposed of at some price. Therefore there is not an excess of goods, but an excess for the class that can pay a certain price for the same. But national depression is caused by "collective under-production." The distributing classes are idle. The money is not needed, and remains uncalled for at the banks, because there have not been the commodities made that usually require to be exchanged. The power of purchase rests solely with the commodities. To put life into stagnant trade, set in motion the mills

and factories that have been closed, or worked on a smaller scale. Produce, produce, but not *madly*, thoughtlessly, the goods there are buyers for. If *all* would produce to the extent of their power, there would be a general demand for all things. Remember, goods buy money; and the money gives the power to buy other goods. But now comes the important point—one that, whether overlooked by the individual or the nation, means paralysis, stagnation, ruin. The essential thing is to produce such things as will cause immmediate reproduction, and only to invest year by year the *surplus* capital in articles of luxury, or in those productions that do not recoup you for the outlay till some distant period. For years we have gone on recklessly investing our capital in foreign loans, foreign railways, aye, and every scheme that ingenious promoters have been able to conceive. We are living too much on interest, paid by the products of other nations; and by not wisely using the money ourselves, we have got into the condition of having, in proportion to the population, a smaller quantity of commodities to exchange. This is one of the principal causes—this "over-consumption" and "under-production" —why trade is stagnant, mills paralyzed, and money lying idle, unasked for, in our banks;—a cause, if not removed, that must ultimately bring the nation to poverty. We must use our brains more, and not go on as recklessly in our undertakings as the uncivilized savage we are so prone to ridicule. Look how madly we took up railways! Admitted that in the long run they are invaluable to a nation—nay, enrich it as much as any cause—but we condemn as a fool, as a criminal, the trader who takes way the life-blood of his business, and locks up in dead stock, book debts, or building operations, his money—who does not know that the necessary "floating" capital must never be used as "sunk" capital, but only the *surplus* capital at his command. So with the nation and railways, or any undertaking of a similar nature; they represent a gigantic overconsumption, not out of the *surplus* savings, but out of the *floating* capital of the country, that at the time, through being engaged in recklessly, brings the nation into poverty, commercial depression, and much misery. It must always be remembered that by our mad eagerness, or thoughtless, reckless manner in these and other schemes, the immense demand for food, coal, iron, engines, and material kindles great excitement in the factories and the shops; profits share the upward movement; luxurious spending overflows; prices advance all round; and labour has to be paid a higher monetary value to enable the labourer to obtain the old quantity of food. So that it is not the wealth that is sunk in making the railways, but we have to suffer for our thoughtlessness in the higher prices of all things, through the

recklessness of a false feeling of prosperity—in reality, a national curse —a retribution for its folly in a general feeling of waste and recklessness and national extravagance. There is only one way for a nation to prosper—to produce in excess of its consumption. Our habits have altered in the last fifty years. Our forefathers produced much, consumed little, and saved. We have crippled our resources by consuming out of proportion to our production. We have killed so many of our geese that used to lay the golden eggs. We must realize as a fact that we cannot have the cake and eat it too; or rather, that if we want to have the cake again to-morrow, we must do to-day some work that will cause its reproduction. We must teach the operatives it is "over-time," not "short time," that is wanted. We produce too little, and at too costly a rate. Short time means dearer goods. Trade is bad always where the power of the buyer is limited, less than it was. The remedy is, *more goods*, which means cheaper goods—produce, which is identical with the power to purchase. We want the people to comprehend that real wealth consists in the increased power of production, that the increase of gold by a nation is nothing in comparison to an increased power to produce commodities.

The following words of wisdom by that clear-headed, practical statesman, RICHARD COBDEN, should be stamped upon every Englishman's brain:—

"Upon the prosperity of the manufacturing interest hangs our foreign commerce; on which depends our external rank as a maritime state; our Customs' duties, which are necessary to the payment of the National Debt; and the supply of every foreign article of domestic consumption, every pound of tea, sugar, coffee, or rice, and all the other commodities consumed by the entire population of these realms. In a word, our national existence is involved in the well-being of our manufacturers.

"If we are asked, To what are we indebted for this commerce? we answer, in the name of every manufacturer and merchant in the kingdom, The *cheapness* alone of our manufactures. Are we asked, How is this trade protected, and by what means is it enlarged? the reply still is, By the cheapness of our manufactures. Is it inquired how this mighty industry, upon which depend the comfort and existence of the whole empire, can be torn from us? we rejoin, Only by the *greater cheapness* of the manufactures of another country."

Practically, we want *all products*, for their quantity in relation to money, so to develop as to be cheaper, or rather, be supplied to the consumer in larger quantities for the same amount of money. No one can doubt that free trade has lessened the real price of nearly

all articles alike of necessity and luxury, and that the lower and middle classes of society enjoy in 1883 an amount of social comfort, and are able to purchase a great many articles that were not within their reach in 1840; and this will, must continue, as there is not the slightest reason why an ounce of gold should not exchange for double the quantity of any goods which it now purchases, except for the fact that gold would then be worth half as much again relatively to other things as it now is. Now, this is what invention, improved machinery, better and cheaper facilities of carriage and distribution, and free trade really accomplish: they give to the sound stationary article, gold, more goods in exchange, or, as it is termed, lessen the cost to the consumer; and our efforts should always be directed to this end, as one shilling can just as easily "circulate" the same amount of goods as it is supposed that it takes a crown to move. To understand this subject, you must remember that when we talk of the cheapness or dearness of goods—whether we intend it or not—the language we use means cheapness or dearness as measured against gold, for we have no other standard. It is only by cost in money that any comparison can be instituted. Why, for instance, can wheat be grown in South Australia at a profit on land that does not yield, on an average, more than two bushels per acre, and where wages are six shillings per day; and not only at a profit in the colony, but that it can be taken to England and there compete successfully with wheat produced from land four times as fertile, cultivated by labourers not getting a fourth of the money wages, and certainly not living half as well as their fellows in South Australia? The natural facilities in land and labour, the primary necessaries for the production of wheat, are incomparably superior in England; and, according to commonly received doctrines, what I have stated ought to be impossible, but it is the fact. The true explanation is, simply that the Australian wheat does not cost so much in money to produce, and peculiarity of climate enables machinery to be used for reaping, which saves money, which must otherwise be paid for labour. But the fact is, that we delude ourselves when we suppose that these questions are settled altogether by imagined superior facilities of countries for producing this or that commodity. There are artificial causes at work; for instance, land there is almost rent free, land here is very dear. It is becoming every year more evident that England cannot compete with America in the raising of wheat; and that the high price of meat, which has hitherto helped our farmers, will now be altered through the largely increasing quantity of meat America is exporting here. By the natural law, rents must fall, or houses remain longer empty. We are told, in the eyes of the law all

are equal; we want this to be the fact. Laws should be made for the good of all. If there be any favour shown, let it be to the poor, as they spend as consumers nearly all they earn as producers. I therefore advocate law, cheap and expeditious, clear and decisive, and an end to the delay, subtleties, and modern jugglery of appealing and going from court to court; law to protect the interests of all, and united action to remove and stop protection to the interests of the few; liberty to use my capital invested in machinery as and when I please—liberty for the labourer to use his capital, his "labour," when and how he pleases. We want to be free from the interference of the law that relieves a bankrupt, honest or dishonest—a law that tempts men to be dishonest, by releasing them from the consequence of their own follies or crimes; free from this "indulgent" legislation, that puts the burden of some people's shortcomings upon the shoulders of others. Our system leads to "national improvidence:" if A eats, and has not earned what he eats, he is a tax upon society, and living on the labour of another As regards education, every one should be able to read and write; but, to my mind, legislation diffuses a subtle, dangerous poison amongst the people when it enforces the right of the child of A to be taught at the expense of B. The same with the "Poor Law;" relief should only be given to the sick, incapable, or aged, and even then discouraged to the utmost; and the rule rigidly enforced that no man has a right, either morally or legally, to be maintained out of the labour of others. It lowers the self-respect of a people, having a system that tempts—solicits men to forego their duty to themselves, their wives, their children, their fellow-men. I would have every man trained to feel there is no more degraded being than he who can only exist by being a charge upon the community—living, by the aid of the *law*, out of the hard earnings and savings of the more provident. Our system tempts men to be thoughtless and thriftless, by educating their children, and by promising them a house of refuge when old or incapable for work; whereas all the efforts of wise legislation should be to teach men how to earn a living, what business is, what true morality is—how true happiness is to be obtained, what money is, how to get it, the importance of taking care of it, by the saving and wise use thereof—how to maintain their independence as men, and be too proud to accept relief of their fellow-men, whether the same be sanctioned by law or not.

Spite of abnormal causes, as high rents, &c., neutralizing the otherwise natural advantages of one country to compete with another, there can be no doubt that Providence has endowed each nation with special facilities; that one people admirably gifted for working in

metals, are not equally so for making cloth; that others having peculiar advantages for growing food, cannot, without infringing natural laws, turn their attention to weaving calicoes. We can all do some things better than others. But every one should be taught why free trade is so superior to protection—simply because it is more profitable; as well that it is wiser to exchange with each other than to produce a thing at higher cost than it can be bought for. For instance, if I can buy a hammer for a shilling, you will perceive at once how foolish, how insane I should be if I persisted in shutting myself up, and saying, "No, I shall make it myself, although it cost me double;" or wanting all my neighbours to pay double price because of my selfish persistence in making hammers at the expense of the community, instead of using my faculties in a more profitable way. It would be really more to the advantage of a nation to keep a trade in idleness than to protect its special product by shutting out another because it is cheaper, or taxing it to make it equally dear; because allied to the freedom of trade is competition, and competition is essential to protect man from the selfishness of his fellow-man. Both forces may at times seem pushed too far, and so as to work with some practical inconvenience, but both principles are right; they are God-like in their actions—they fight for, and secure, the benefits for the many, against the interests of the few. There is not a man or company in existence but would charge more for distributing, carrying, or producing, if there were not the dread of a rival competing for and taking away the order. So trade should be left free to buyer and seller. If men once grasped the causes of "national prosperity," this question of "protection" would be revolting from its very hideousness. Its aim is to compel, by the aid of law, buyers to pay more for goods than the sellers are naturally entitled to. Competition is nature's remedy to protect man against his fellow-men; to keep down the value of a man's services to what they are worth, instead of his ideas of their worth. For national prosperity we want no "reciprocity." Free trade is a law of nature, founded on mutual self-interest; if the principle be sound, why place any "restriction" on its operation? Because other nations are foolish enough to break the laws of God, are we to follow them in their stupidity? By free trade we mean that each country should produce freely that which it can produce best and cheapest, and should exchange the surplus of what it produces for the similarly produced products of other countries, and then all nations are benefited. Think of it, analyze it, dissect and pull it to pieces as you will, it is impossible to find a flaw in it. It is the law of God; it is the wisest policy for the material and moral benefit of mankind, for national prosperity.

CONCLUDING REMARKS.

"In all conditions and circumstances, well-being is in the power of those who have power over themselves."—J. J. GURNEY.

"Let our highest and best ambition be to be informed."

"The price of wisdom is above rubies."—*Job.*

"Wisdom is better than rubies . . . is more precious than rubies."—*Proverbs.*

IN concluding Volume I., I hope you have not found it a weary task to follow me in what is to me a great subject. Erasmus said that "man is born for the transaction of business;" this is certain, that methodical business habits will benefit every man and woman. Many men of ability fail in business because, it is said, the petty details are uncongenial to their nature, and their superior gifts and exceptional powers are thrown away in commercial life. There is no doubt that many men fail in life because they have some special faculty which acts as a disturbing motive-power; but as the qualifications for success in any walk of life are method, punctuality, concentration, and promptitude, if this fact were properly explained at the right time, if the habits were inculcated when the brain was fitted to receive them, there would be no necessity for the "exceptional" persons to *fail*, if they could not make a marked success in the career of life they are filling. "Business success," some men will tell you, depends on common sense, a knowledge of the world, the tact to profit by men's weakness, a dogged determination to make a profit out of every transaction; and such people will say that men of this type will succeed, do succeed, and have made themselves successful in business, although chaos and irregularity reign supreme; whereas, on the other hand, many men fail, although their concerns are models of regularity, order, and thoughtful, systematic management. It may be so, but it is not my experience; on the contrary, I have known many men skilful at their profession or trade, yet never get on, never make money, always in arrears, because they lacked the requisite methodical business habits; and my belief is, that nearly every failure arises either from the lack of necessary technical knowledge, or, having that, the lack of system and method in the conduct of their busi-

ness. No doubt the judgment, the clear head, and common sense are essential; but even these valuable qualities work at a disadvantage if things be not done in a systematic manner; whereas no one suffers, but all are benefited, by the possession of those qualities herein indicated as those that make a good man of business. "The man spends half his time in sketching on his blotting-paper or the backs of the envelopes," was the criticism of one whom a perverse fortune had made an accountant. These square people in round holes are too common in life; pity 't is so; but the earnest man will work, and bide his time, hoping for the "opportunity" to show his strength; and he will be more likely to succeed in what he likes to do if trained to be careful and exact in doing what he has not a liking for. This is nature's reward to those who do their work, distasteful or otherwise, from a sense of duty.

If you want to succeed in life, you must be no dreamer, but understand what you have to do, and do it thoroughly. Study the age you live in, more especially the people your success depends upon; to skilfully adapt yourself to them is the great secret of worldly success. When you have gained "money," may you understand that its benefits, its power, consist in the wise use of it, and that misery follows inevitably to those who abuse it. Do not value it as "real wealth," but know it as it is,—a "medium" for the exchange of wealth,—and how little of it is required for your own needs, for your own happiness. I would have you believe that the truest success, far above all mere worldly success, is doing your duty with a calm reliance on God, and an unflinching energy. Do all you have to do as if there was no God to help you, and yet have that sublime trust in God, that childlike faith, as if you could do nothing for yourself. It will be a hard struggle; you will be sorely tempted; be cognizant of the existence of evil, but avoid it. Do not content yourself by succumbing, under the plea that man is tried beyond his strength, that the load is heavier than you can bear. Believe me, that if you leave nothing undone which can be done, if you honestly act up to the belief that there is nothing we cannot bear or achieve, if we earnestly will it, success must follow as inevitably as the morn follows the night. In life, you must, to succeed, remember that what is done cannot be undone; it is only wasting time to grumble about what might have been. The wise man sees what is wrong that can be made right, and knows that the sooner it is seen to, and the less it is talked about, the better.

"Success" of the highest kind is obtainable only by those who act upon sound commercial principles. "Business" may be compared to an engine which will take the student or traveller safely along his

journey, if he be guided by "Morality," to keep him on the straight line, free from upsets, and, with healthy body and brain, to enjoy "Life," and recognize its great value; also, the necessity for "Economy" to obtain "Money," not from the miser's point of view, but to help others, and wisely use it for our own comfort and happiness. To benefit the masses, we must put before them an object in life; they must see that it be possible for them to succeed; they must have within them the fixed resolve to advance mentally, morally, and socially. They must be shown what can be done by persistent industry and thoughtful thrift. They must be taught to think, but, firstly, "to see;" to "love the light," and resolve to have it. All classes need a clearer vision, a sight that can peer through the darkness that envelops them. We want to be free of prejudices, sinecures, pensions, feudal privileges, bankrupts. Wasted lives will gradually diminish as we reduce the number of fools in the world; the rogues will die out, a natural death from want of food to feed upon.

There is no hope for the man who is content to stoop to lift the coward's weapon of self-defence, and put upon fate, chance, or circumstance his own inability to protect himself. It is his own weakness he has to conquer, and boldly lay hold of seemingly opposing circumstances, and mould them by his own will to his ultimate advantage. It can be done; it has been done. What other men have achieved, why not you? or, if not, lay the fault upon yourself alone. But my advice is, stand up and fight. Determine to conquer; determine to cast the lie back into the teeth of all scoffers at the strength of a man's will, and at his ability to use every circumstance for the end he has in view. They are cowards who would check ambition in others, because they have none themselves. Man's moral courage wants fostering, encouraging, developing; or, like any other attribute, it will fall into decay for lack of exercise. That the element is in the nature of every man, who can doubt? Unfavourable conditions have prevented its development, and it requires some exterior power to bring it into action; but the moral courage of every man will exert itself as soon as he is properly taught the value of a trained intellect, and how the nerve-force of his brain will give muscular power to his hand, and strength to his body in resisting all opposing forces to his progress. The difficulties of life are but trials to bring out the strength and endurance of our nature, as a storm tests the powers of a ship, or the knife of the cutter reveals the brightness of the precious stone. Never despair; though fate betray and re-betray, with inflexible tenacity of purpose press on, ever struggling "onwards and upwards."

" The heights by great men reached and kept
Were not attained by sudden flight,
But they, while their companions slept,
Were toiling upward in the night.
Nor deem the irrevocable past
As wholly wasted, wholly vain,
If, rising on its wrecks, at last
To something nobler we attain! "

Ladder of St. Augustine.

To sum up, a man of business attends to his own business and leaves everybody else's alone; never buys what he does not want, uses every hour to advantage, and studies how to make even leisure hours useful; thinks twice before throwing away a shilling, remembering he will have another to make for it, and that a shilling saved is a shilling earned; finds pleasure in looking after his business, remembering that if through life he is to be up to the height of his century—always in the prime of man's reason, without crudeness and without decline—he must live habitually while young with persons older, and when old with persons younger than himself. He buys low, sells fair, and takes care of the profits; looks over his books regularly, and if there be any inaccuracy, is not satisfied until he finds it out. When trade is bad, or he has heavy losses, retrenches at once and works harder; believes, to insure success, in having probity, poverty, and perseverance as a dower. He is aware sugar-plums come to most of us too late; still, he has faith in his ultimate success, and believes if he confronts difficulties with unflinching perseverance, they will disappear at last; and if such men fail, they are honoured; whereas, if you shrink from the trial, you are despised. Generally, the world resents a failure without much reference to its causes, as although in theory it is not denied that merit does not always succeed, yet in practice the connection between failure and desert is so generally taken for granted that the fact of failure has its effect as much upon the mind and bearing of him to whom it has occurred as upon the treatment he receives from his fellows. The whole notion of failure is so intolerable to the average intelligence that men seem to have no capacity of toleration, either for themselves or others, when success has been missed. The world in its judgment gives not to the unsuccessful the benefits of "circumstance, chance, or fate," as having been adverse to their particular interests, but attributes, and generally rightly so, the want of success to their own wilful abuse of irrevocable hours and opportunities. Many men who have been successful, fail at last through attempting things beyond their strength; they get to think they are beyond nature's laws, and fail through venturing on undertakings beyond their capital, and the reputation and labour of a life is swept away through their own recklessness.

There can be no more perfectly wretched creature in existence than the man who is conscious that he has failed in the business of his life through his own folly. Failure! it is horrible to contemplate—must not be thought of. The general who, upon hearing the enemy is advancing, does nothing but prepare for a retreat, will inevitably be defeated. Not only in the army, in politics, at the bar, in commerce, aye, in every walk of life, to think only of defeat is to insure it, as to dread a disease is the most certain way to catch it. To prevent failure, to insure success, away with doubts and fears. Remember, you are a player in the great game of life; it is a game which, to be successful at, needs great skill. The way to win is, never to think of yourself, or the result—success or failure; but to concentrate every faculty you possess upon the game itself, and let your plans be those best adapted for effecting the defeat of your opponents. You will fail if you believe in fate or chance, or have not learned that in your work, in the daily struggle with your fellows, there can be no distinction save that of a better cultured brain, a clearer intellect to observe correctly, and think logically and equitably, or the aptitude and skill to do a larger quantity, or produce work of a better quality than your fellow-men.

A hard doctrine; yes, my experience has convinced me that in all things nature does seem hard, often cruel, until we have reflected and seen the mercy and loving-kindness of the justice of "regular laws." Man delights to believe in "exceptions;" there are no "exceptions" in nature. Why? Because, to put up shelter to protect the few, although pleasant enough for the chosen ones, is unjust to the multitude. "But," it is said, "the struggle to exist is so hard, gets harder; details are more complicated, so that only the clever and capable few can get on; what is to become of those who lack the requisite skill and energy that our age demands?" There is only one reply: there are various grades in every branch of employment; if you be not equal to fulfil the duties of the higher, you must thankfully accept the lower position, and make the best of it. Necessity has compelled large numbers of women to seek occupation; and we cannot but admire the quiet and determined way in which women, as a class, have taken possession of every field of labour thrown open to them. The struggle will not be less intense, but may be lightened, by men and women being properly trained for their duties in life. Much patience will be needed, and let us hope for a bond of mutual helpfulness, binding together all workers, men and women, irrespective of class, to meet the obstacles incidental to the more quickly changing social conditions of life.

"There's a Divinity that shapes our ends, rough hew them how we

will." Is this so? Are the best and noblest of the sons of men raised up with special gifts and for a special work by God? Are all things in heaven and earth ordered by a never-failing Providence? To those like myself, who believe a healthy, happy, successful life to depend upon a knowledge of, and obedience to, certain laws, it is impossible to believe in Divine interposition on behalf of certain favoured individuals, or in what is called "luck." "Shallow men believe in luck, believe in circumstances; it 'was somebody's name,' or 'he happened to be there at the time,' or 'it was so then, and another day it would have been otherwise.' Strong men believe in cause and effect" (EMERSON). For men to succeed in this world, they must understand themselves, their fellow-men, and the world as it is; recognizing the supremacy of law—fixed, invariable law. They must be full of earnest purpose, no matter how humble their occupation; do the work before them thoroughly, better than others, with a firm belief that the "best men" are those who do the best with what talents they have, and the opportunities that offer; always having an ideal before them that will elevate and improve their intellectual and moral nature; with a firm belief that all true happiness arises from the observance of the moral laws, as all misery is caused by the violation of the laws of nature; and that it is solely the infraction of the organic, moral, social, and other laws of nature that makes nations and individuals miserable and bankrupt in soul and body, as it is only by the observance of these laws that nations and individuals can be prosperous and happy. If you want to be healthy, wealthy, and wise, study God as manifested to you in His works, learn the laws that relate to your constitution, and obey them willingly and reverently. "Though your 'part' on the world's stage and in the drama of 'life' may not be exactly the one you desire, yet, since it *is* allotted you, see that you perform it to the best and utmost of your ability."

"Wouldst shape a noble life? Then cast
No backward glances towards the past:
And though somewhat be lost and gone,
Yet do thou act as one new-born.
What each day needs, that shalt thou ask;
Each day will set its proper task.
Give others' work just share of praise;
Not of thine own the merits raise.
Beware no fellow-man thou hate;
And so in God's hands leave thy fate."

GOETHE.

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